

مكة المكرمة

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Established 1887

Austria 4 S	Libya 9	Puerto Rico 10
Belgium 10	Luxembourg 10	Switzerland 10
Denmark	..... 10	Norway	..... 10	Taiwan	..... 10
France	..... 10	Netherlands	..... 10	Turkey	..... 10
Germany	..... 10	Nigeria	..... 10	U.S. Military	..... 10
Greece	..... 10	Portugal	..... 10	Yugoslavia	..... 10
Great Britain	..... 10	Spain	..... 10		
Ireland	..... 10	Sweden	..... 10		
Italy	..... 10	Switzerland	..... 10		
Japan	..... 10	Taiwan	..... 10		
Lebanon	..... 10	Turkey	..... 10		

AT'S WEATHER—PARIS: Cloudy, with rain. High 48 (44). Tomorrow partly cloudy. High 48 (44). Low 38 (34). LONDON: Cloudy. High 48 (44). Low 38 (34). CHICAGO: Partly cloudy. High 48 (44). Low 38 (34). NEW YORK: Partly cloudy. High 48 (44). Low 38 (34). WASHINGTON: Partly cloudy. High 48 (44). Low 38 (34). BOSTON: Partly cloudy. High 48 (44). Low 38 (34). PHOENIX: Partly cloudy. High 48 (44). Low 38 (34). SAN FRANCISCO: Partly cloudy. High 48 (44). Low 38 (34). SEATTLE: Partly cloudy. High 48 (44). Low 38 (34). PORTLAND: Partly cloudy. High 48 (44). Low 38 (34). OREGON: Partly cloudy. High 48 (44). Low 38 (34). CALIFORNIA: Partly cloudy. High 48 (44). Low 38 (34). TEXAS: Partly cloudy. High 48 (44). Low 38 (34). ARIZONA: Partly cloudy. High 48 (44). Low 38 (34). NEVADA: Partly cloudy. High 48 (44). Low 38 (34). IDAHO: Partly cloudy. High 48 (44). Low 38 (34). MONTANA: Partly cloudy. High 48 (44). Low 38 (34). WYOMING: Partly cloudy. High 48 (44). Low 38 (34). COLORADO: Partly cloudy. High 48 (44). Low 38 (34). UTAH: Partly cloudy. High 48 (44). Low 38 (34). ARKANSAS: Partly cloudy. High 48 (44). Low 38 (34). MISSISSIPPI: Partly cloudy. High 48 (44). Low 38 (34). ALABAMA: Partly cloudy. High 48 (44). Low 38 (34). LOUISIANA: Partly cloudy. High 48 (44). Low 38 (34). MISSOURI: Partly cloudy. High 48 (44). Low 38 (34). ILLINOIS: Partly cloudy. High 48 (44). Low 38 (34). INDIANA: Partly cloudy. High 48 (44). Low 38 (34). OHIO: Partly cloudy. High 48 (44). Low 38 (34). PENNSYLVANIA: Partly cloudy. High 48 (44). Low 38 (34). MARYLAND: Partly cloudy. High 48 (44). Low 38 (34). DELAWARE: Partly cloudy. High 48 (44). Low 38 (34). VIRGINIA: Partly cloudy. High 48 (44). Low 38 (34). NORTH CAROLINA: Partly cloudy. High 48 (44). Low 38 (34). SOUTH CAROLINA: Partly cloudy. High 48 (44). Low 38 (34). GEORGIA: Partly cloudy. High 48 (44). Low 38 (34). FLORIDA: Partly cloudy. High 48 (44). Low 38 (34). ALASKA: Partly cloudy. High 48 (44). Low 38 (34). HAWAII: Partly cloudy. High 48 (44). Low 38 (34).

ed Forces be Laos ronghold ack May Follow story in Plains

By Jack Foote

VIETNAMESE troops are probing government positions as they approach to Muong Suoi on that key town in western end of the Plain. It is expected soon, military sources disclosed today.

As Muong Suoi which the Vietnamese took and briefly held months ago to mark the western advance of the offensive by the Communist.

It is speculation that the Vietnamese troops may push further west this year, posing a threat to the city of Luang Prabang, the northwest of Muong Suoi. But despite the increased American B-52 bombers in the Laotian government troops, the North Vietnamese advance across the Plain is not expected to have checked.

An Associated Press reporter said, that B-52 bombers launched a seventh consecutive day of heavy strikes on the Ho Chi Minh Trail in the Demilitarized Zone for local raids.

Some sources said that about 200 B-52 missions so far have been flown to supply depots and infiltration corridors in eastern Laos in a concentrated campaign to cut the movement of troops and war materials into South Vietnam. A mission is normally of five B-52s with each carrying 30 tons of bombs.

Contrast to past years, the heavy forces appear to be concentrated in North Vietnam. Army regulars, undoubtedly with Vietnam war experience, past years, Communist Pathet Lao units have been part of the fighting force. The first evidence of families of prominent Laotians in Muong Suoi. They commandeered an Air America plane to leave.

How these same families fled out of there a half dozen years ago, the past few years, an American official said.

Thai Troops Included: The time that Muong Suoi was taken, its defenders included mercenary troops said to be led and directed by the Central Intelligence Agency, which this has never been admitted officially.

Whether the mercenary troops took again in Muong Suoi is not known.

An American Embassy here, officials have complete authority over virtually all aircraft and have refused to allow reporters to charter commercial aircraft to fly to Muong Suoi to appraise the situation for news.

never, the embassy has authorized a charter flight to Sam Thong on Tuesday. Sam Thong is the Plain des Jarres, disclosed on Page 2, Col. 3.)

ew Republic Guyana Proclaimed

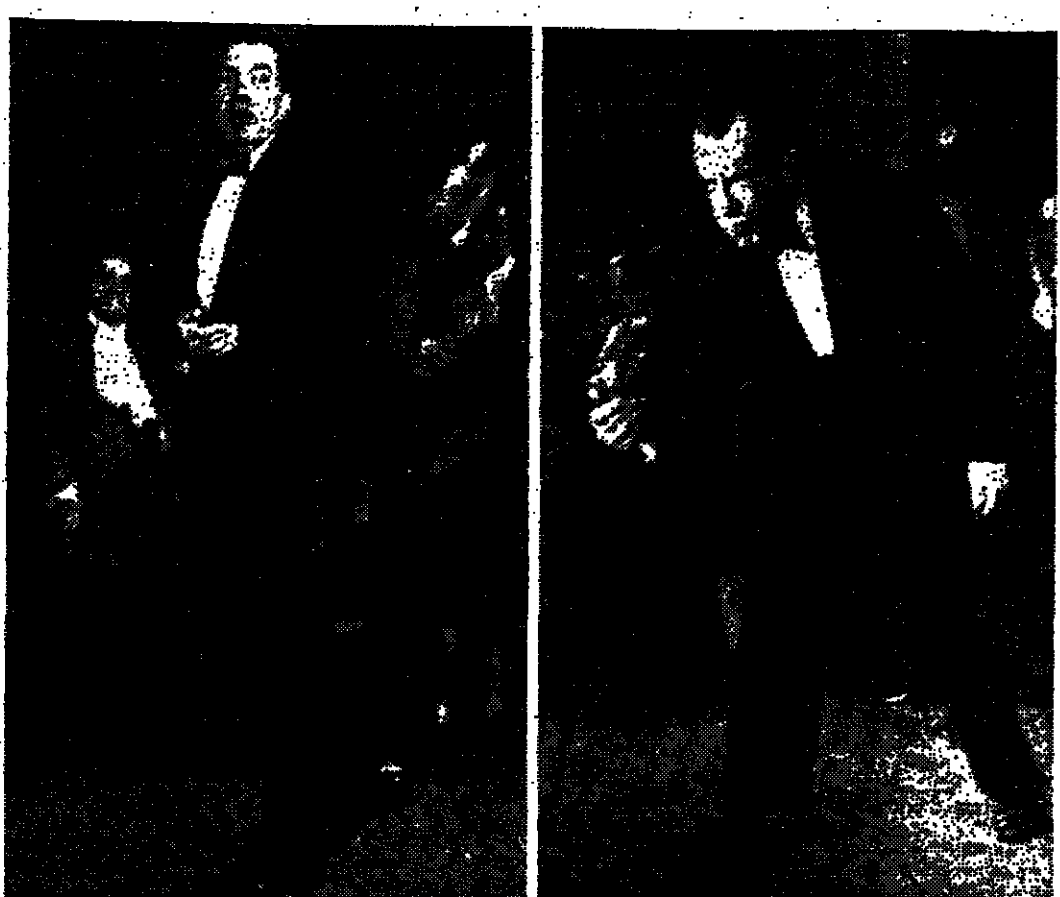
GEORGETOWN, Guyana, Feb. 23 (UPI)—The former British colony of Guyana today became independent of British rule and, Guyana, became the first Caribbean republic in the Commonwealth.

A midnight ceremony here was attended by thousands of Guyanese and other Caribbean leaders, including Governor-General, Sir Eric Williams, proclaimed the new republic.

Guyana became independent on Feb. 21, 1968, after more than 150 years of British rule. As a republic, it remains a member of the Commonwealth.

Edward Luckhoo was sworn in as president immediately after the proclamation of the new constitution. The new constitution takes effect on March 1. The new president is due to be elected next month.

by troops and massed in the park, evoked the passing traditions and the Last of the flag was lowered.



President Nixon joking with his guests after the showing of the play "1776."

N.Y. Cast Brings '1776' to White House

By Nan Robertson

WASHINGTON, Feb. 23 (UPI)—The gold brocade curtains opened last night on the first full-scale, full-length Broadway show ever presented at the White House, with President and Mrs. Nixon beaming in front-row center.

It was George Washington's 238th birthday anniversary, and so, quite appropriately, the production was "1776," the spirited, imaginative Sherman Edwards tale about the drafting of the Declaration of Independence.

The musical play opened in the capital one year ago and went on to box-office success in New York, winning the Tony Award for best musical and the New York Drama Critics' Circle Award.

The Broadway cast and crew and some wives—78 persons in all—flew down by chartered plane. Their somewhat cramped performance took place on a beautiful proscenium stage especially designed for the White House four years ago by Jo Mielkner, who also designed the scenery and lighting for "1776."

The White House stage, which incorporates one of three gigantic East Room crystal chandeliers as a decorative feature, is about two-thirds the size of the stage at the 46th Street Theater in New York. Actors squeezed through narrow, hidden corridors at either side to make their entrances.

About 185 guests jammed the 78-by-35-foot ballroom wall to wall, after a jockeying for invitations that recalled the maneuvering to get into "My Fair Lady."

(Continued on Page 2, Col. 2)

Avalanche Kills Four In Austria

ST. SIGMUND, Austria, Feb. 23 (UPI)—Four persons, including a baby girl, were killed early today when an avalanche destroyed a tourist hotel high above this Tyrolean village.

Nine other persons escaped, reportedly uninjured, from the wreckage of the Hotel Alpenrose, police said.

[Three skiers were caught by an avalanche near Klagenfurt, Austria, today and buried under it, the Associated Press reported. Two of them freed themselves, but the third is still missing, authorities said.]

The four victims, all residents of St. Sigmund, were identified as Mrs. Paula Brenner, 70, owner of the hotel; Mrs. Christina Brenner, 18, and her daughter Petra, 3, months, and ski instructor Reinhold Winkler, 26.

Other avalanches blocked the road to St. Sigmund, a town 13 miles west of the tourist center of Innsbruck. Helicopters flew in rescue teams and other aid.

The avalanche swept down at 4 a.m. from the north side of the Faidler-Sonja Mountain.

The avalanche was blamed on a thaw over the weekend that undermined the huge banks of snow on the mountainsides.

Police said the Hotel Alpenrose stood high up on the mountain above the village. Rescue teams had to battle their way through the snow to reach the stricken hotel, they said.

A rescue helicopter flying to the hotel crashed on landing and was badly damaged, but no crewmen were hurt, police said.

Another avalanche in the same area struck the Burkhart Hotel at the village of Lusenzen yesterday. It destroyed the hotel's kitchen and killed 20 sheep in a nearby stable, but caused no human deaths or injuries.

2,000 Vacationers Trapped

Elsewhere in Austria, avalanches and flooding of road and rail links in the upper and lower provinces badly affected traffic throughout the country.

Demonstrations Feared Pompidou Arrives in U.S. For Eight-Day State Visit

By Chalmers M. Roberts

WASHINGTON, Feb. 23 (UPI)—French President Georges Pompidou flew into Washington today as the White House indicated the administration's hope that his visit to the United States will not be marred by Americans who oppose Paris's policy in the Middle East.

Mr. Pompidou, his wife and members of their party arrived at Andrews Air Force Base in a French Air Force DC-8 at 3:58 p.m. to be greeted by Vice-President Spiro T. Agnew. This was an added gesture of administration courtesy.

Without a word of waiting newsmen and microphones, the French chief of state boarded a presidential helicopter to fly to Camp David, Md., for the night. Tomorrow morning, he will receive a 21-gun salute arrival ceremony at the White House when he meets President Nixon for the first time.

Earlier in the day, White House press secretary Ron Ziegler was asked whether the President was concerned over the treatment Mr. Pompidou will receive during his eight-day visit to the United States. Both American and French officials have indicated concern over demonstrations here and in New York, Chicago and San Francisco and by talk that some members of Congress will boycott a joint meeting he will address Wednesday.

Mr. Ziegler replied that "all the arrangements have been set to receive President Pompidou in accordance with the friendship that exists between the two countries. We will receive him courteously and as a friend—which the two countries are. I believe that Congress will receive the president courteously."

First Demonstration
The first anti-Pompidou demonstration was a gathering today at the Washington Monument grounds of about 3,500 supporters of Israel, a rally sponsored by the Jewish Community Council of Greater Washington. Theirs was aimed specifically at Mr. Pompidou, not France, as indicated by banners they wore, proclaiming "Vive la France, à bas Pompidou" (Long live France, down with Pompidou).

If Mr. Pompidou himself was worried about his reception, he showed no sign of it as he stepped down the ramp from his plane, a smile on his face. He chatted with Mr. Agnew as Mrs. Agnew presented Mrs. Pompidou with a bouquet. The two men talked as they walked to the nearby helicopter which took the Pompidous to Camp David. Officials who heard what they said characterized it as "small talk."

The president wore a herringbone double-breasted coat, his wife a dark dress.

(Continued on Page 3, Col. 1)



FIRST WELCOME—Vice-President and Mrs. Spiro T. Agnew (left) welcome French President Georges Pompidou (center) and Mrs. Pompidou (right) as they arrive at Andrews Air Force Base for their official eight-day visit to the United States.

Swiss to Bar Most Arabs, Tighten Airport Controls

Precautions Stepped Up By Airlines

LONDON, Feb. 23 (UPI)—The world's major airlines, under intense pressure from Israel to restrict restrictions on its vital air links with the outside world, stepped up security measures today on all flights to the Jewish state.

The action came following weekend explosions aboard two airliners over Europe, one of which killed 47 persons. Arab guerrillas are suspected in both blasts, although Arab commanders denied having any part in the fatal crash of a Swissair Coronado.

Representatives from seven major airlines met at London's Heathrow Airport today to discuss security measures on Israeli-bound flights. A special meeting of all 53 airlines using the airport was called tomorrow to take up the problem.

British airline pilots said all flights to Israel should be stopped unless 100 percent safety can be guaranteed.

Meanwhile, in Montreal, the International Air Transport Association yesterday condemned recent violence pending investigation of the exact causes of the most recent aggression against a Swissair and an Austrian Airlines aircraft.

The airlines imposing restrictions include Lufthansa, KLM Royal Dutch Airlines, Alitalia, Swissair, Austrian Airlines, Sabena and Olympic. British Overseas Airways Corp., and British European Airways announced their bans yesterday.

Air France today decided to resume its freight and mail service to Israel, and took a certain number of measures to increase security precautions for its flights.

The French airline said that for "efficiency" reasons it would give no information about the security measures which have been decided. Air France interrupted freight and mail shipments to Israel yesterday.

No time limit was placed on restrictions announced by the other airlines. There are 16 airlines in addition to El Al, the Israeli airline, with scheduled flights into Tel Aviv. Only El Al and Trans World Airlines have all-cargo flights.

Eight flights took off from London's Heathrow Airport today bound for Israel. Only three of them were non-stop. Police cars drove alongside the jets as they lifted off from the runway.

Passengers boarding the planes were checked and double checked before being allowed to take their seats. BOAC restricted each passenger to only one piece of hand luggage of no more than 11 pounds. Every piece of baggage carried into the cargo hold had to be personally vouched for by a traveling passenger.

In Rome, an Alitalia spokesman said the Italian national airline has refused freight and air parcels for Israel since yesterday and is searching passengers' luggage and hand baggage closely.

Special Precautions
NEW YORK, Feb. 23—A spokesman for Trans World Airlines said here yesterday that the carrier was taking "extra special precautions" on its three daily flights to Israel. TWA is the only American airline with flights to Israel.



Swiss President Hans Peter Tschudi

Russia Says U.S., Israel Blame Arabs With Forgery

By Anthony Astrachan

MOSCOW, Feb. 23 (UPI)—The Soviet Union accused the United States and Israel today of using a forged document to blame Arab guerrillas for the explosion of a Swissair plane last Saturday.

An unusually shrill Tass commentary, reprinted in Izvestia, said the purpose of the "hysterical yells about 'Arab sabotage'" was to distract attention from Israeli "atrocities."

The article said that when the plane blew up in the air, both Tel Aviv and Washington "snatched at a forged document" for their "slandering version" of the event—a communiqué reported as coming from a Palestine guerrilla organization and claiming responsibility for the act of sabotage.

The article accused the U.S. State Department and The New York Times of "trying to fain anti-Arab sentiments." It then quoted a statement from the Palestine Joint Command in Amman that none of its organizations had had anything to do with the Swissair crash and that the "communiqué" was a document "fabricated to harm the Palestine movement."

Tass also quoted Agence France-Presse as saying today that on-the-spot investigation had not established that there was any sabotage. Tass said that in fact the investigation has not yet reached any conclusions, according to other news agency reports.

"But the fact of American-Israeli propaganda sabotage against the Arab world has been established irrefutably," Tass continued.

The purpose of this propaganda was to whitewash the Israeli bombing of an Egyptian factory Feb. 13, the commentary said, and "to justify beforehand new deliveries of American weapons to the aggressor and compromise the heroic struggle of the Arab guerrillas."

Two Americans Injured

U.S. Woman Dies in Ambush Of Tourist Bus Near Hebron

JERUSALEM, Feb. 23 (AP)—Arab terrorists killed an American woman on a pilgrimage to the Holy Land and wounded three other passengers in an ambush of a tourist bus near Hebron in occupied Jordan, the Israeli military command said.

The dead woman was later identified as Mrs. Barbara Kirk, 31, of Grandville, Mich. Her husband, Theodore, a Protestant pastor, was among the passengers but he escaped injury.

Many passengers on the tour, sponsored by the Baptist Life Insurance Co. of Buffalo, N.Y., were from Michigan.

Two of the wounded were women, identified as Mrs. Tabba Daminco, of Atlantic City, N.J., and Mrs. Lucille Draper of Buffalo. Mrs. Draper underwent surgery for removal of shrapnel tonight in Jerusalem's Hadassah Hospital. She was reported in good condition.

An Israeli tour guide, Zvi Greenberg, suffered only superficial wounds.

Mrs. Daminco told a hospital official: "We were driving out of Hebron about 3:30 when suddenly we were being shot at from all sides. We crawled under the seats for safety."

Call for Conference On Airline Security

BERN, Feb. 23 (AP)—Shocked and angry after the tragic crash of a Swissair jetliner Saturday, Switzerland virtually closed its doors to all Arab nationals today.

The Swiss government announced after an emergency meeting that henceforth it will issue visas to Arabs only on humanitarian grounds and where "significant Swiss interest is at stake."

Official spokesmen explained that that meant trips of diplomats and important businessmen, and for travel involving medical treatment or visits to sick or dying family members in Switzerland. Tourist visas are suspended.

The government also ordered reinforced controls of "all persons considered as dangerous," both at the Swiss borders and inside the country.

And finally it called for a worldwide aviation security conference to be organized by the International Air Transport Association as soon as possible, preferably on Swiss soil.

The seven-man cabinet led by President Hans Peter Tschudi, who explained the measures at a press conference tonight, left no doubt that it was acting on what it considers well-founded suspicion of Arab sabotage. A cabinet announcement preceding the meeting said that there were justified grounds to suspect that "a criminal act" caused the death of 47 passengers and crew from nine nations in a wooded area at Wuerenlingen, site of the first Swiss atomic reactor.

No bodies could be identified at the crash site, because there were none. The bits and pieces of human remains that were collected from the soft forest ground were removed today in three ordinary coffins. There was not one piece of wreckage longer than a yard left of the Concorde Coronado jetliner.

The disaster, almost coinciding with a similar but not fatal incident involving an Austrian plane in Germany, caused an uproar in the Swiss press.

Editorials denounced Arab terrorism, even in the absence of positive proof of sabotage. One paper said: "The Arabs just lost a good part of the credit they began to gain in our country," and in Lucerne, in central Switzerland, posters appeared calling for the expulsion of all Arabs.

An Arab mission in Geneva tonight received anonymous telephone calls threatening a bomb attack. There has been no report of any anti-Arab violence in Switzerland so far, and Arab embassies in Bern did not ask for police protection.

Mr. Tschudi admitted that a vast crash investigation conducted at Wuerenlingen yielded no definite proof of foul play so far. "We know the catastrophe was caused by an explosion in the rear of the plane" as it was heading south over the Alps enroute to Tel Aviv, he said, adding:

"But it is not yet possible to draw any definite conclusion. We do not yet know what actually exploded, and it is clear that the Swiss government will raise no accusation it cannot prove."

The government statement said the investigation has not yet reached any conclusions, according to other news agency reports.

Israeli Planes Hit Suez
TEL AVIV, Feb. 23 (UPI)—Israeli planes returned to blast Egyptian military installations twice at the southern end of the Suez Canal today, breaking a three-day lull in Israeli aerial activity along the waterway.

Cairo Reports 1 Killed
CAIRO, Feb. 23 (AP)—One person was killed and two others injured as a result of Israeli air raids over Egyptian positions on the Suez Canal today, an Egyptian military spokesman said.

Lebanon, Jordan Regimes
Express Regret Over Crash

BEIRUT, Feb. 23 (UPI)—The governments of Lebanon and Jordan last night expressed their deep regret at Saturday's Swissair disaster.

An official Jordanian spokesman, quoted by Amman Radio, said the Jordanian government "expresses its deep regret to the Swiss government and people for this human tragedy."

The spokesman said "it was unthinkable that it could have been an Arab act in any way."

In Beirut, Public Works Minister Pierre Gemayel, in a statement quoted by Beirut Radio, denounced the crash as a "regretful air disaster."

However, they refused to discuss their policy on attacks against civilian aircraft.

The minor guerrilla group which first claimed responsibility for the Swissair Coronado explosion, then denied it, issued a fresh statement last night recalling alleged Israeli actions against civilians.

In a defiantly worded communiqué, the Popular Front for the Liberation of Palestine (General Command)—a splinter group unconnected with the larger Popular Front for the Liberation of Palestine—attacked "those who are shedding crocodile tears over innocent Israeli victims."

[George Habash, leader of the Popular Front for the Liberation of Palestine, said in a statement (Continued on Page 2, Col. 5)]

Freeing Army for Field Action

South Vietnam Local Forces Will Defend Safer Villages

By James P. Sterba

SAIGON, Feb. 23 (NYT).—South Vietnam's defense officials are planning a major shift of village-based professional soldiers into contested areas, leaving the defense of villages considered relatively secure to police and unpaid local militiamen.

Planners at regional and national levels who were interviewed recently said that with the gradual shift, part of the overall Vietnamization plan, many soldiers now tied down with territorial defense

would be freed for offensive operations against guerrilla groups in areas where the enemy remains a threat.

This move, in turn, would allow the South Vietnamese main forces to direct more of their efforts against main enemy units now located mostly in remote jungle and mountain areas.

A young South Vietnamese officer who works in a combined American-Vietnamese planning unit said: "The army's job will be more and more to keep enemy soldiers away from the people—the job the Americans have been doing. Behind them, the people and police will deal with the local Communists."

The shift, to take place over the next year, would involve:

• The gradual replacement of American combat forces opposing Viet Cong and North Vietnamese Army troops in generally remote, unpopulated areas with main-force South Vietnamese Army units.

• The upgrading of neighborhood defense groups into 35-man security teams responsible for security in government-dominated hamlets.

The shift, according to defense planners, would permit the gradual withdrawal of front-line American combat troops over the next year without leaving gaps in the government's defense line.

It would place much greater burdens on neighborhood militia, called the People's Self-Defense Force.

The timetable, which is no more definite than the timetable for American combat-troop withdrawal, depends largely on the Saigon government's ability to upgrade these neighborhood defenders to fill defensive combat roles.

The plan has the backing of U.S. officials, but some are doubtful that it can be completed in 1970.

While U.S. military officials continue to apply pressure on South Vietnamese military commanders to move more of their main forces against enemy units, some are hesitant about entrusting the defense of already pacified areas solely to self-defense forces and the police.

Nevertheless, both American and South Vietnamese pacification officials contend there are many areas in the countryside that can be adequately defended by local residents. Popular-force platoons now defending these areas would then be free to move into hamlets considered insecure.

The South Vietnamese killed 25 Communist soldiers and lost one man, sources in Da Nang said. They said the cache yielded more than a ton of arms and equipment, including three anti-aircraft guns and 100 boxes of ammunition.

U.S. and South Vietnamese forces yesterday claimed a total of 90 Communist killed in a series of widely separated battlefield encounters.

Saigon Deputy Out of Hiding, Plans a Sit-In During Trial

By George McArthur

SAIGON, Feb. 23.—South Vietnam's outspoken opposition deputy Tran Ngoc Chau said today after a month of hiding and vowed a sit-in at the National Assembly while a military court tries him in absentia for contacts with his brother, an admitted Communist agent.

To the embarrassment of the American Embassy, which Mr. Chau has accused of supporting his clandestine activities and then exposing him and his brother, the government of President Nguyen Van Thieu said it would start the trial Wednesday of Mr. Chau and a second deputy also accused of Communist activities. The other deputy, Huynh Van Tu, is in hiding and will also be tried in absentia.

The U.S. Embassy has declined all comment on the Chau case and has quietly and unsuccessfully advised President Thieu, who is becoming increasingly tough on his domestic opposition, to end his campaign against Mr. Chau who is regarded, at worst, as misguided.

Mr. Chau did not help himself with either Mr. Thieu or the embassy by charging that he was exposed by the Americans because they suspected Mr. Thieu of working through him and his brother to arrange a private peace agreement with the Communists.

For a month, Mr. Chau has been flitting about Saigon sleeping in different houses each night and holding meetings with foreign newsmen. He charged that the

government was going to arrest him and he became increasingly outspoken against the president and the U.S. Central Intelligence Agency—with which he says he once worked closely.

Immunity Lifted

The case neared a climax earlier this month when Mr. Thieu engineered through the assembly a petition lifting Mr. Chau's immunity for a trial on the charge of having Communist contacts. The petition was signed by 102 deputies and Mr. Chau charged that many were bought. He also charges that the petition was illegal, since such an action could only be taken by open vote. The assembly itself has petitioned the supreme court for a ruling on this.

The petition lifting Mr. Chau's immunity does not permit his arrest unless he is convicted. The maximum penalty is a death sentence.

Mr. Chau appeared at the assembly this morning waving a copy of the constitution and holding an informal press conference on the front steps. After departing briefly for lunch, he installed himself in a small office, holding court throughout the day for South Vietnamese and American newsmen.

"If I win, this is democracy. If I lose, that means this whole democratic system is a false democracy," he said.

Mr. Chau has admitted to contacts with his older brother, Tran Ngoc Hien, dating back to 1965. They had been parted when Mr. Hien went North after 1954 and Mr. Chau stayed with the government in the South.

Los Angeles Times

Dutch Official Urges Curb on Visas to Arabs

AMSTERDAM, Feb. 23 (Reuters).—The chief of police at Schiphol Airport has urged Dutch authorities to limit the issue of visas to Arabs wishing to visit the Netherlands.

Maj. E. E. Gerritsen, commander of the airport's state police, said yesterday that following Saturday's explosions in two airliners drastic government measures, "preferably throughout Europe," were imperative.

The best preventive measure to check the "outrageous terror of the Palestine resistance organizations" is for European governments to close their frontiers to Arabs whom they doubted had bona fide motives for visiting Europe, Maj. Gerritsen said.

He said he thought it would be possible to separate bona fide Arab businessmen from "less desirable Arab guests."

White House Performance For the Play '1776'

(Continued from Page 1)

Lady," but without the ticket-scalping.

The evening was by any standard a vintage occasion, one of the few times any play has been given uncut at the White House. The Lyndon Johnsons saw off Broadway's "You're a Good Man, Charlie Brown" without deletions, and President William Howard Taft enjoyed Shakespearean comedies on the South Lawn, but virtually all White House theater has consisted of excerpts and tabloid versions of the original productions.

Without a Break

Last night's production began at 7:30 and ran without an intermission, as it does in New York, for two hours and 20 minutes. The black-tie evening ended with a buffet supper.

The guests included Vice-



WINNING ROUND—El-Fatah leader Yasser Arafat (left) with Kamal Nasser, a member of his executive committee, following their meeting with Jordanian authorities at which they succeeded in forcing out the minister of the interior. Story Page 2.

Red Forces Probe Laos Stronghold

(Continued from Page 1)

and headquarters of some American aid efforts to Gen. Vang Pao's Meo tribesmen. Gen. Vang Pao's army, reputed to number about 18,000 men, is made up almost entirely of his fellow mountain-men, and this force has borne the brunt of much of the current fighting.

The main attack on outlying positions defending Muang Suoi was at Kiang Lon, a small position at the head of a valley leading to Muang Suoi. The enemy force was estimated at 150 men and did not push the attack when met by rifle and machine-gun fire from the outpost.

Night Bombings Protested

HONG KONG, Feb. 23 (Reuters).—The pro-Communist Laotian Patriotic Front has protested against alleged nighttime bombing by U.S. B-52 aircraft in the Plain des Jars, the Pathet Lao news agency said today.

The protest, signed by Phoumi Vongvichit, secretary-general of the front's central committee, was sent three days ago to Britain and the Soviet Union, co-chairmen of the 1962 Geneva Conference on Laos, according to the agency.

"The Nixon administration has reached a high degree of barbarity with its premeditated use of B-52s for intense night bombings with a view to exterminating the local population," it said.

It claimed that the United States had been using the B-52s since Feb. 17. On that day and the day after, 17 B-52s twice bombed a six-mile-long area between Ban-son and Khamkhetay, razing many villages.

Los Angeles Times

W. German Rivers Overflow, Isolate Villages, Cut Roads

By David Binder

BONN, Feb. 23 (NYT).—West Germany's major rivers overflowed their banks today after a sudden thaw and widespread rainstorms, isolating villages, stopping highway traffic and inland shipping and sweeping away one bridge.

A bridge over the Rhine, a tributary of the Main near Nuremberg, was knocked down by the sudden flooding.

The Danube also overflowed its banks and high water on the Rhine, Elbe and other north German rivers caused widespread damage to farmlands.

Flood Danger in France

PARIS, Feb. 23 (Reuters).—Police and rescue teams were alerted to the danger of floods in large areas of eastern France tonight as continued heavy rain and a sudden thaw sent already-swollen rivers over their banks.

Paris-Milan and Paris-Florence trains were rerouted through Geneva after sudden ground collapsed under a track at Montbéliard. Roads were cut around Dijon, Besançon and Nancy.

In Paris, the Seine was rising again after dropping momentarily last week. It was about 15 feet higher than normal in central Paris.

In Normandy, in the west, the continued rains brought down a medieval tower that had stood for nearly nine centuries at Domfront, causing severe damage to a nearby printing plant but no injuries.

Floods in Belgium

BRUSSELS, Feb. 23 (Reuters).—Melting snows and torrential rains brought rivers surging over their banks in many parts of Belgium, cutting roads, isolating houses and flooding hundreds of acres of farmland.

3 Arab Airlines To Pool Resources

TRIPOLI, Libya, Feb. 23 (Reuters).—United Arab Airlines, Sudan Airways and Libya Airlines have agreed to pool their resources, it was announced here today.

The chairman of the three airlines said a joint investment fund would be established immediately and the activities and incomes of the airlines would be shared equally.

This decision follows a one-day conference here yesterday aimed at uniting the three air carriers into a single organization.

Jordan Drops Cabinet Aide; Took Hard Line on Guerrillas

AMMAN, Jordan, Feb. 23 (UPI).

—Jordan's government—guerrilla crisis claimed its first high-ranking ministerial casualty tonight when Interior Minister Maj. Gen. Mohammed Rasoul Kallani resigned.

Gen. Kallani is widely believed to be mainly responsible for introducing security measures that sparked the crisis. Political sources said his departure was at the direct demand of the guerrillas.

Gen. Kallani has been replaced temporarily by a political neutral, Municipal Utilities Minister Kousa Abou Ragheb, an East Bank Jordanian liked by both sides.

No official reason was given for Gen. Kallani's departure, but it came just 24 hours after the 10-group Palestinian Unified Command and government officials announced an end to a 12-day crisis that brought the country to the verge of civil war.

Three days of sporadic fighting cost at least 19 lives—some figures put the death toll at 50—after the government introduced stiff measures aimed at controlling the firing, possession and storage of arms.

No details of yesterday's agreement were volunteered, but according to well-informed sources from both sides, the guerrillas accepted partial control on arms in exchange for freedom to discipline their own men.

Tonight's resignation suggested the guerrillas also demanded at least one head should roll. Gen. Kallani was not the only hawk in King Hussein's cabinet, and other hardliners may fall victim to guerrilla demands.

The king's uncle, Maj. Gen. Sherif Nasser bin-Jamil, commander-in-chief of the armed forces, has been linked with Gen. Kallani. However, there is no indication that he will be an early

Commando Investigation

BEIRUT, Feb. 23 (NYT).—Thorough investigations carried out by the United Command of the commando organizations have proved "beyond a shadow of a doubt" that none of the guerrilla organizations had anything to do with the explosion of the Swiss airliner, it was asserted today.

This was announced by the command, which comprises the ten major guerrilla organizations in Jordan, in a statement broadcast tonight by the voice of Al Asifa, the Cairo-based radio of el-Fatah, the largest of these groups.

"The stand of the commando movement regarding the explosion in the Swiss airliner is clear," the announcement said, adding: "The revolution strongly condemns such barbaric actions. No commando contingent would have carried out such action. This is a fact already announced by the United Command after it made certain thorough accurate and thorough investigations."

Zionism Responsible?

BEIRUT, Feb. 23 (UPI).—A Lebanese government minister today suggested Zionists were responsible for the Swiss crash.

Information Minister Othman Dams, in a statement to the national news agency, asked: "Could not the hand of international Zionism be behind this incident—especially since American newspapers took up the Israeli accusation even before the Swiss investigators said anything about it?"

The motive could have been to gain world sympathy for Zionism," he said.

Athens Sets March For Arabs' Trial

ATHENS, Feb. 23 (AP).—Two Arab terrorists charged with premeditated murder for the machine-gun attack on an Israeli airliner at Athens airport and killing one of its passengers almost 14 months ago, will stand trial on March 21, the Greek government announced today.

The trial of Mahmoud Issa Mohammed, 26, and Hussein Suleiman Elyaman, 30, was postponed indefinitely due to the absence of key witnesses. If the men are found guilty of the murder, they could be executed.

The postponement drew a sharp protest from Israel which charged that the delay would encourage further acts of violence against Israeli property abroad. One Israeli passenger was killed in the attack.

UAR Dailies Lack Paper

CAIRO, Feb. 23 (AP).—Because of the shortage of newspaper, Egyptian dailies will be restricted to a maximum of eight pages for an indefinite time, it was announced today.

Israel Warns Against Raids On Airliners

Indicates That Arab Lines Are Vulnerable

By Lawrence Fellows

JERUSALEM, Feb. 23 (NYT).—Premier Golda Meir warned today that Israel would not sit long with its hands folded if Arab terrorists were permitted to continue to harass or destroy its civil aircraft and those of other countries carrying passengers or cargo to Israel.

In a threat to Arab states that she scarcely bothered to veil, the premier said gravely that either all the civil airlines in the Middle East fly unhindered, or none do.

"Israel will not acquiesce in any assault on her air routes and will do her utmost to protect them," Mrs. Meir told the Knesset (parliament).

She spoke sternly and slowly in the full chamber, reflecting the deep sense of outrage that has been felt in Israel since Saturday, when a Swissair plane bound for Tel Aviv exploded and crashed after taking off from Zurich. All 47 passengers and crew died, including 14 Israeli citizens, and another who was just settling here.

On the same day an Austrian airlines plane en route from Frankfurt to Vienna, but carrying mail for Israel, was torn by a bomb explosion, but managed to land safely.

Sees Arabs Responsible

Although both incidents are still being investigated, Mrs. Meir said she was satisfied that Arab terrorists, on the strength of their past behavior and their tentative claims for credit for crashing these two planes, were responsible for the deeds.

"These incidents are part of the web of murder and bloodshed which the Arab terrorist organizations cast on international civilian air communications throughout the world," she said.

She had already met in her Jerusalem office this morning with the heads of 20 diplomatic missions, all representing countries where major international airlines operate, and told them how seriously Israel regards the deteriorating conditions for safe air travel, and how urgent was the need for remedial action.

Clarifies Warning

In the Knesset this afternoon Mrs. Meir went over much the same ground, but made her warning plainer to the Arab states that harbor or encourage terrorists—that civilian air travel could be made unsafe for them, too.

"Our appeal to the international community to take action, derives both from our duty to protect the lives of our citizens and air routes, and by virtue of our membership in the community of nations," she said.

"We appealed to the nations and international bodies in the hope that they will now take concrete and effective action. In any event, we want all airlines of Middle Eastern countries to fly unhindered."

"We want every plane with all passengers, of whatever company, to be able to take off and land unhindered in all states in our region."

"But this rule must apply to all," the premier said. "Israel will not agree to being the only one to whom this rule does not apply."

Arab Office Damaged

PARIS, Feb. 23 (UPI).—A brick was thrown through the show window of the United Arab Airlines office in downtown Paris early today, police reported. The incident occurred some time before 3 a.m. in the offices located near the Paris Opera.

Eban Exchanges Assurances With Bonn on Continued Ties

BONN, Feb. 23 (UPI).—Israeli Foreign Minister Abba Eban called on the West Germans today to keep relations with Israel in a watertight compartment.

Walter Scheel, Foreign Minister of West Germany countered with assurances he would not permit improved relations with the Arabs to dilute relations with Israel.

Mr. Eban and Mr. Scheel exchanged views during a two-hour meeting this morning, then repeated them later in separate public statements.

The Israeli foreign minister was guarded by several hundred policemen and his movements kept secret.

About 250 German and Arab students from Bonn University held an anti-Israel "teach-in" in a lecture hall, then marched through the streets to the railway station, chanting "Down with Dayan." They temporarily blocked some streetcars.

Mr. Eban was the first Israeli cabinet minister to visit West Germany.

"Here Is Difference"

"I know that all countries in Europe and the Federal Republic of Germany desire to strengthen their relations with other Middle Eastern states," Mr. Eban told the German-Israeli Society after his talks with Mr. Scheel. "But here is the difference. Israel does not interfere with the development of German-Arab relations. Also, our neighbors do try to interfere with the development of German-Israeli relations."

Later, Mr. Eban paid a courtesy visit to President Gustav Heinemann, then conferred with Chancellor Willy Brandt and with the latter's parliamentary manager, Herbert Wehner.

Bonn, Vienna Protest to Arabs

German Police Name 2 Arabs Sought in Bombing of Plane

FRANKFURT, Feb. 23 (Reuters).—The police today named two Arabs wanted in connection with the midair explosion aboard an Austrian airliner shortly after takeoff from the Frankfurt airport on Saturday.

They were identified as Mousa Jawher and Sultan Kaddumi. The police could not give their nationalities, although they said Kaddumi's residence was in Amman.

The police described Jawher as dark, mustachioed, slim and about 5 feet 5 inches tall. Kaddumi is shorter, thick-set and spoke fluent German, they said.

The police said yesterday that two men, believed to be Arabs, mailed a package to an Israeli address at a Frankfurt post office on Friday. The package was described as a radio by the senders, one of whom gave a false return address, the police said.

Jawher bought a radio in a shop here, police said. Its cardboard packing is believed to have contained the parcel that exploded.

The police also asked the public to help find someone who recently sold Kaddumi a car. A 15,000-mark (about \$4,000) reward has been offered for information leading to the arrest of the culprits.

Bonn Protest to Arabs

BONN, Feb. 23 (UPI).—West German protesters today against what Foreign Minister Walter Scheel described as "the degeneration of morals" by terrorists trying to disrupt international air travel.

Mr. Scheel told a news conference the protest was made by diplomatic messengers sent to the Bonn states with which Bonn maintains relations as well as to those with which it has no formal ties.

The foreign minister said he also explained his government's attitude to Israeli Foreign Minister Abba Eban during their talk here this morning.

Mr. Scheel said he thought it would be a mistake for airlines to stop carrying freight because of the terrorist attacks on planes. "That would mean the attacks would have achieved their aim," he said.

Meanwhile, Transport Minister Georg Leber called for immediate international civil aviation conferences to consider ways of combating air piracy and restoring air travel safety. He proposed a meeting of the European Civil Aviation Conference and a special assembly of the International Civil Aviation Organization (ICAO).

The West German post office in Bonn said today it had not reached a decision on whether to resume handling airmail packages for Israel. The post office announced yesterday it was suspending the handling of such parcels for the next 24 hours.

In Frankfurt, the powerful Public Services and Transport Workers Union today scheduled an emergency meeting with government and national airline officials. A spokesman for the 1.5 million member union said union representatives responsible for civil aviation employees, government, national airline and airport officials were summoned to the conference "early this week" to discuss coordination of security measures.

Austria Expresses Concern

VIENNA, Feb. 23.—Austria requested the Arab states today to take measures to prevent further terrorism in international civilian air traffic.

Wittfried Pfister, secretary-general of the Austrian Foreign Ministry, conveyed the demand to the ambassadors of the Arab states. A statement said that Mr. Pfister had expressed "consternation" over the bombing of the Austrian jetliner on Saturday.

British Measures Criticized

LONDON, Feb. 23 (NYT).—The Middle East News said Marshal Tito and the newly elected Yugoslav leader stepped from his plane arriving from Khartoum.

Thousands of people, including families of Soviet technicians on the Aswan High Dam, the Nile, lined the route to airport into Aswan as the leaders drove 35 mi. open the town—a popular resort.

Friendship slogans dominated the route and the crowd of Egyptian and Yugoslav shouted slogans of welcome. Two presidents drove past their 22nd meeting since they met in 1955.

As well as discussing world peace, Marshal Tito was to brief his Egyptian counterpart on his current African tour, has so far taken him to Zanzibar, Tanzania, Kenya, Sudan.

During the tour, the 74 leader conferred with U.S. Secretary of State William P. Rogers in Addis Ababa on the Arab conflict.

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They stressed that the "expansion and annexation of occupied Arab territories" efforts toward finding a peaceful solution to the Arab conflict.

It added that "both sides" unbounded support for the legitimate rights and of the Palestinian people liberation movement has great importance in the political, and psychological among the various forces in the Middle East.

Nasser, Tito Open Talks On Mideast

ASWAN, Feb. 23 (UPI).

President Gamal Abdel Nasser and Yugoslav President Tito talks here tonight on the East situation and bilateral issues.

Marshal Tito arrived in a two-day official visit after a discussion with the chairman of the Sudanese Revolutionary Council, Maj. Gen. Gaafar Nuri, whose country is a member in a tripartite alliance with Libya.

Mr. Nasser embraced the year-old Yugoslav leader, stepped from his plane arriving from Khartoum.

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WEATHER

AMSTERDAM 67 F. Cloudy
ANALBA 65 F. Cloudy
ATHENS 65 F. Cloudy
BEIRUT 65 F. Cloudy
BOMBAY 65 F. Cloudy
BRUSSELS 65 F. Cloudy
BUENOS AIRES 65 F. Cloudy
CAIRO 65 F. Cloudy
COPENHAGEN 65 F. Cloudy
DUBLIN 65 F. Cloudy
EDINBURGH 65 F. Cloudy
FLORENCE 65 F. Cloudy
GENOVA 65 F. Cloudy
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HONG KONG 65 F. Cloudy
LONDON 65 F. Cloudy
LYON 65 F. Cloudy
MADRID 65 F. Cloudy
MILAN 65 F. Cloudy
MOSCOW 65 F. Cloudy
NEW YORK 65 F. Cloudy
PARIS 65 F. Cloudy
PRAGUE 65 F. Cloudy
ROME 65 F. Cloudy
ST. LOUIS 65 F. Cloudy
STOCKHOLM 65 F. Cloudy
TOKYO 65 F. Cloudy
VIENNA 65 F. Cloudy
WASHINGTON 65 F. Cloudy
YOKOHAMA 65 F. Cloudy

U.S. Coast Guard cutter USCGC Spencer (WMEC-905) was launched from the shipyard at Groton, Conn., Feb. 23, 1970.

2

Pompidou in America

President Pompidou has arrived in the United States; his official welcome begins today, and there is some trepidation, both in Paris and in Washington, concerning the nature of his unofficial welcome.

This concern is not without irony. Mr. Pompidou's predecessor was personally far more unpopular in America—although resentment at the De Gaulle lectures and policies was tempered for the older generation, at least, by wartime memories. The mood of Americans, too, has changed to a mellower acceptance of differences among nations; the gaps between French policies and those of the United States have narrowed in most areas.

It can be fairly said, then, that the president of France would have little reason to be troubled about his reception were it not for the question of Israel and the Mirages. And even here it is doubtful whether very many Americans are moved by this issue. The problem is that those who are moved, are deeply moved, and it is the present worldwide tendency to show emotion in public demonstrations.

It is true that neither the American government nor many of its thinking citizens are particularly happy about the way in which the French government, beginning with De Gaulle, aligned itself so thoroughly on the Soviet-Arab side of the Middle East controversy. The effort to reconcile the ap-

parently irreconcilable factors in that dispute is difficult enough without numbering France among the latter. In that basic conflict of policy, the matter of the Mirages is only an additional complication.

Nevertheless, it is the kind of complication that assumes symbolic importance, and lends itself to slogans and harsh words on placards. It would be extremely unfortunate if these appeared—at least in numbers or style beyond those which any head of state can expect in visiting any country outside his own. For President Pompidou's visit provides the occasion for one of those reviews of policies and attitudes which can be extremely useful.

It is not necessary to go back to Lafayette for the roots of present reasons why the United States and France should understand one another better. Shared problems, as well as shared history, give ample force to those reasons. The pace of events has reduced the impact of many Franco-American differences, and that same pace gives new arguments for collaboration in many areas.

So the visit of Mr. Pompidou is welcome, and the great majority of his hosts must hope that it will be fruitful and pleasant. Sentimentality aside, the links between France and America have been too close for too many years to be at the mercy of passing phases of policy—or the harsh phrases of the streets.

To Stop Murder in the Sky

One of the most severe crises in the history of the world's civil aviation has been touched off by the Arab guerrilla sabotage that last weekend destroyed a Swiss airliner flying to Israel and almost destroyed an Austrian plane. At any given moment, this planet has innumerable national quarrels, miniwars and other conflicts of varying degrees of intensity. When and if participants in such disputes have reason to believe that the sabotaging of airplanes is an effective means of pursuing their causes, then murder in the sky might become so common as to paralyze the air transport industry. This vulnerability of airplanes makes it particularly important that those who try to profit by such sabotage learn quickly and unequivocally that this tactic is self-defeating.

These considerations are self-evident. Nevertheless, the initial reaction of several European airlines to last weekend's sabotage could, if continued, please the saboteurs. One line simply canceled its regularly scheduled flight from Copenhagen, while other firms which continued flying to Israel banned mail or freight. Unless these stoppages were temporary moves made to improve security, they can only encourage those who planted the bombs.

In the long past history of Arab attacks against Israeli aircraft or against planes bound to Israel, the objective has been to isolate that country by cutting it off from normal transport connections with the rest of the world. If the Arab terrorists see that the latest outrages are advancing their purpose, they will only escalate their effort to blow other Israel-bound planes from the sky. And any evidence that these crimes are hurting Israel will give fanatics devoted to other causes and having other states reason to employ similar sabotage tactics widely.

If the air transport industry is to avoid committing suicide, its reaction to last weekend's tragedy must not be ruled by panic. The need is for continued normal air traffic to Israel, and for intensified security measures to protect the planes.

In the past, Arab states have exalted as heroes those terrorists who attacked Israeli or Israel-bound planes. Sunday Libya's strongman, Col. Moamer Kadhafi, publicly defended such attacks. But some Arabs are beginning to understand these outrages may be counterproductive. This is evidenced by the sudden shift last weekend from the first jubilant claim of guerrilla responsibility for the Swiss plane's destruction to the later unconvincing denial. And a Beirut newspaper denounced the attack on the Swiss airliner as "the most irresponsible, unforgivable and outrageous act that has ever been committed in the name of Palestine."

The need now is to convince the great majority of Arabs and the rulers of their states that such criminal acts hurt rather than help their cause. This can be done by applying sanctions against the Arab countries which finance, harbor and encourage the terrorists and provide the bases for these murderers. A worldwide airline boycott of those Arab states would be the best means to punish the perpetrators of these foul and cowardly deeds and those behind them and to put pressure on both groups to halt their crimes.

THE NEW YORK TIMES.

International Opinion

Swissair Catastrophe

News of the Swissair crash has aroused grief and dismay in Switzerland and, since it was a flight to Tel Aviv, worldwide attention as well. Such acts must be called by their proper name—murder. Political motives are not an acceptable justification for the cold-blooded slaughter of passengers and crew. The catastrophe affects not only the victims and their families, Swissair and Switzerland, but civil aviation as a whole.

The question is thus again raised of what can be done to more effectively safeguard international air traffic against such criminal action. Suitable countermeasures must be seriously studied, not only in Bern but in all capitals and in the international organizations. The battle against air piracy and attacks on civil aviation cannot be waged with further verbal demonstrations, but only with energetic measures which will actually reach those who are really responsible.

—From *Neue Zürcher Zeitung* (Zurich).

The Arab terrorists who have now spread their murder campaign across Europe will do more harm to their own cause than to Israel.

They will not change Israel's policy, except to make it tougher, and they will forfeit much of the sympathy felt in the West for the Palestinians.

In the International Edition

Seventy-Five Years Ago

Feb. 24, 1895

BERLIN—The Reichstag Budget Committee today voted by an overwhelming majority the money demanded by the government for the construction of four more powerful armored cruisers. Baron Marshall, Secretary of State for Foreign Affairs, made a confidential communication to the committee respecting Germany's relations with other powers in regard to the naval position of different countries around the world.

Fifty Years Ago

Feb. 24, 1920

CAIRO—Cairo at the present moment is the center of intrigue. Political wire-pulling does not appear to be confined to any particular party or nationality. It is to be hoped that a rapprochement will be arrived at between the Egyptians and the British, which will be satisfactory to both sides and eventually bring peace and contentment to most of the inhabitants of this strife-torn country. It will be a long road.



'Dear Secretary Finch—Now You Tell Him...'

Integration Earthquake

By Joseph Alsop

WASHINGTON—Last week, it was like feeling the first sharp tremor of an earthquake, and seeing the first crumbling of a great landmark that has long dominated the scene for many years. The landmark was enforced school integration, first established in the Supreme Court's 1954 decision in the Brown case.

The tremor began when Sen. Abe Ribicoff, of Connecticut, took his stand with the Southerners in the fight on the Stennis amendment to the education bill. In that fight's first test vote, on an additional amendment by Sen. Ribicoff himself, the liberal Democrats openly broke ranks on the school integration issue that has united them for so long.

Half a dozen of the liberals, like Sen. Alan Cranston of California and Joseph Tydings of Maryland, joined Sen. Ribicoff, along with civil rights-minded Republicans like Sen. John Cooper of Kentucky. The tally was 63 to 24.

Sen. Edward Kennedy of Massachusetts, Eugene McCarthy of Minnesota, and George McGovern of North Dakota did not vote at all. They could well have had their "nay" votes recorded, despite their absence, as did Sen. Edward Brooke of Massachusetts. But they did not trouble to do so.

Ranks Reformed
To be sure, the ranks of the Democratic liberals partly reformed in the final vote on the Stennis amendment itself. Yet the end of an era was clearly announced in the roll call analyzed above. The reason for it, or part of the reason for it, was in turn revealed by a story frankly told to Sen. Ribicoff by an old liberal comrade-in-arms, who was helping to lead the attack on the new stand Sen. Ribicoff had taken.

The terrible fact is that the Supreme Court's decision in Brown vs. Board of Education has wholly lost the majority support which it unquestionably had in 1954. The further fact is, moreover, that speaking to the angry disillusioned white majority about the troubles in the schools is a major element in President Nixon's daring plan for major intervention in the 1970 congressional campaign.

The President himself, one may guess, will take what may be called code positions, such as emphatic opposition to busing and condemnation of disorder in both schools and universities. Vice-President Spiro T. Agnew, whose allotted role is that of the plain speaker, will no doubt go a lot further than the President in any case, it can be said on

The son of the senator in question needed to buy a pen. The senator offered him an expensive one. The boy instead asked for a whole handful of the very cheap pens, made to be soon thrown away, that they now sell in drug stores. The senator asked, "Why?"

"Oh," said his son, "it's not worth having an expensive one. They take away any pen you have after one, two, three days—not more than that. So it's much better to have a lot of very cheap ones."

"They" turned out to be the tougher black boys in the majority-black public school that the senator's son attends in Washington. The school yard toughs, of course, were natural products of the cruel deep ghetto life, from which they come. But the senator, who nonetheless continued to fight for school integration, did not respond to his son's news from school as millions of other white parents have by now responded to the troubles in the schools.

The breaking answer has come from the brilliant black columnist of The Washington Post, William Raspberry. In a memorable piece, Raspberry has quietly suggested that "we have spent too much effort on integrating the schools and too little on improving them."

It has to be faced that radical school improvement, especially in the ghetto neighborhoods, will cost a great many billions of dollars a year. But no degree of sacrifice is too great to give every American child, whether black or white, the education needed to be a citizen with a full share in our country. As this reporter has been gloomily saying for years, the national future will almost certainly depend on doing this job that now cries out to be done with redoubled urgency.

Harsh Sentences
The legal pretense that marijuana is of the same character as heroin has had disastrous effects. It has sent the occasional marijuana user to prison for a grotesque sentence on a first offense—a cruelty that the omnibus drug bill now before Congress does mitigate. But most users are not touched, as is inevitably the case when the state tries to outlaw something done by 8 or 10 or 12 million people. The result is to make a mockery of law.

The confusion of marijuana with heroin in the official mind may just have had its most appalling effect. The sudden Justice Department effort to block marijuana imports last year, Operation Intercept, did dry up the supply for a while. According to informed reports, traffickers then began offering out-price heroin instead, to among others, these New York schoolchildren. That must be something for a law-enforcement officer to have on his conscience.

No careful person with a sense of his own fallibility can say with certainty, in the light of our present knowledge, that legalization of marijuana would have desirable social results. But precisely because we know so little, and that not all unfavorable to marijuana, it is just as clear that sledgehammer tactics in the name of the law are dangerously wrong. Similarly, only a fool would claim to know the solution for the terrible increase in the use of hard drugs. But if unarguable experience means anything, then only a fool would advocate ever greater reliance on the process that has failed, the process of the criminal law.

Letters

The Taboo of Race

Long before man knew of kings and councils and laws, his behavior in clan and tribe was regulated by taboos. And how tenacious and rigid these ancient prohibitions must have been can be inferred from the fact that, in spite of all evolution, Western society is still nearly as full of taboos as the daily life of an ant in the jungles of the Solomon. With two differences: Most of our taboos are a cultural inheritance of very old date, while the magical power in case of their violation are no more.

In these circumstances it is surprising, to say the least, that the United States, the country that for generations has been in the first line of battle for the emancipation of peoples, has created a new, self-imposed, taboo which now constitutes a serious menace to the harmonious development of its multiracial community. What I mean is: race. "Race" is no longer to be mentioned, let alone discussed, by those who disregard this taboo, the so-called "racists," are derided as depraved individuals no better than Nazis!

In 1965, this perversion had come to the point where anthropologists of name could no longer freely discuss and publish their views on racial matters without harassment; witness Dr. Carleton S. Coon's lament in the introduction to his "The Living Races of Man": "Even without reference to the brain or to intelligence, the

positive authority that drugs, crime and the troubles in the schools are to be the three main themes, if the President does not change his campaign plan in the interval. What the effects of stressing the school theme may be, can in turn be judged by what has happened already.

Quota System

To give one example, Sen. Ribicoff has even come to favor what amounts to a quota system for black children in integrated schools—"because, you may as well face it, the whites move away if the blacks go over 20 percent." This kind of violent though reluctant about-face is the customary sign that a political earthquake is in progress.

In earthquakes, as long experience has shown, the decisions of the courts tend to be altered or disregarded. That, too, must be expected, if the earthquake is as severe as the first tremors indicate. So what is to be done in this heart-breaking situation?

The best answer has come from the brilliant black columnist of The Washington Post, William Raspberry. In a memorable piece, Raspberry has quietly suggested that "we have spent too much effort on integrating the schools and too little on improving them."

It has to be faced that radical school improvement, especially in the ghetto neighborhoods, will cost a great many billions of dollars a year. But no degree of sacrifice is too great to give every American child, whether black or white, the education needed to be a citizen with a full share in our country. As this reporter has been gloomily saying for years, the national future will almost certainly depend on doing this job that now cries out to be done with redoubled urgency.

Major Surprises?
Now, as a matter of observable fact, the new Heath and old are, in most of the areas in which the transformation is supposed to have taken place, the same man. It would not be surprising, if, in the House, Mr. Heath has been in politics long enough for his measure to have been pretty accurately taken, and it is not likely that he has any major surprises to come, until, at any rate, he becomes prime minister. His policies, for instance, and his closest advisers held a crucial private conference a few weeks ago, from which they emerged with the outlines of their election strategy, consisting of appealing to the middle class, and to the "law and order," or promises, their details lacking, to bring down the cost of living, stabilize prices and get the country moving—claims which have been made by every politician since the war, and when I say the war I mean the one in 1968.

His standing with his own party certainly seems to have improved; but the improvement, on closer inspection, turns out to be largely illusory. At the Conservative annual conference he gets a longer and longer standing ovation each year, but this is artificial; one of the most pathetic sights in British politics is that of the cheerleaders at their whistles and redoubting their efforts to ensure that Mr. Heath's ovation lasts longer than Mr. Wilson's at the rival shindig. The muttering of criticism of his leadership, once to be heard incessantly from those who were his ostensible supporters, has certainly diminished; but that is what always happens when the election is too near for a change of leader to be contemplated—it is happening across the political divide with Mr. Wilson, too.

Then wherein lies the newness of the new Heath? In this alone, but with a significance that can hardly be exaggerated: Mr. Heath is now convinced that he and his party are going to win the next election. Never mind whether they are right; they probably, though

simple statement that races exist drives a small sector of vocal critics into a predictable and well-publicized frenzy. Consequently, discussion of the human brain, promised in Prof. Coon's earlier volume "The Origin of Races" (1962), was left out.

But the problems that racial variation entail can only be solved by recognizing and studying them, not by ignoring them, and so, as a result of this alarming bias based on false premises—in the very land where over 350,000 men lost their lives fighting for the freeing of the slaves—a parent, white or black, is no longer free now in his choice of the school for his children. Is it to be wondered, then, that parents and children alike are on the verge of rebellion?

Perhaps, now that President Nixon has declared his personal opposition to the busing of schoolchildren (DET, Feb. 13), something will be done to stop this outrage.

HENDRIK SPIER.

Messico, Italy.

Old-School Notion

One agrees with the tenor of Mr. Elmer G. Swanson's remarks (this letter, "Spanish Adventure," DET, Feb. 17), except one: "Ineligibility enough to be students in a university."

Such a rampant, old-fashioned notion surely marks Mr. Swanson as an idealist.

WALTER WYANT.

Athens.

Bernard Levin

From London:

Mr. Wilson is no longer seen as Labor's unbeatable electoral asset, nor Mr. Heath as the albatross round the Tories' necks.

LONDON—A new phrase is on everybody's lips: well, at any rate it is on the political commentators' pens. We keep hearing about a character called "the new Heath."

This young fellow is, we are given to understand, different from the old Heath; and it is the burden of my song that the new Heath is indeed different from the old one, though perhaps not quite in the way that is usually intended by those who use the phrase.

The Heath in question, new or old, is of course the leader of the Conservative party, head of Her Majesty's Opposition and future prime minister if his party wins the general election which may come at any time and must by law come by the beginning of May next year at the latest.

The old one, we are assured (though only by those who have had a critical word for him earlier which makes their new enthusiasm for him suspect), was the one who, having lost the 1966 election to Harold Wilson and the Labor party by a colossal margin, thereupon lost such confidence and grasp as he ever had, and has been paddling aimlessly around ever since, trying to find a policy and a personality with which to appeal to a skeptical electorate, and not having much success in doing so.

Then comes the new one. This one, we are told, is an entirely different proposition. Full of promise and certainty, his policies clear, defined and attractive, he is the master of the field, while the prime minister reels from blow after blow to the political chin delivered by this new political heavyweight of a new Heath.

Major Surprises?

Now, as a matter of observable fact, the new Heath and old are, in most of the areas in which the transformation is supposed to have taken place, the same man. It would not be surprising, if, in the House, Mr. Heath has been in politics long enough for his measure to have been pretty accurately taken, and it is not likely that he has any major surprises to come, until, at any rate, he becomes prime minister. His policies, for instance, and his closest advisers held a crucial private conference a few weeks ago, from which they emerged with the outlines of their election strategy, consisting of appealing to the middle class, and to the "law and order," or promises, their details lacking, to bring down the cost of living, stabilize prices and get the country moving—claims which have been made by every politician since the war, and when I say the war I mean the one in 1968.

His standing with his own party certainly seems to have improved; but the improvement, on closer inspection, turns out to be largely illusory. At the Conservative annual conference he gets a longer and longer standing ovation each year, but this is artificial; one of the most pathetic sights in British politics is that of the cheerleaders at their whistles and redoubting their efforts to ensure that Mr. Heath's ovation lasts longer than Mr. Wilson's at the rival shindig. The muttering of criticism of his leadership, once to be heard incessantly from those who were his ostensible supporters, has certainly diminished; but that is what always happens when the election is too near for a change of leader to be contemplated—it is happening across the political divide with Mr. Wilson, too.

Then wherein lies the newness of the new Heath? In this alone, but with a significance that can hardly be exaggerated: Mr. Heath is now convinced that he and his party are going to win the next election. Never mind whether they are right; they probably, though

not quite certainly, are, but it is the conviction that has transformed Mr. Heath.

And it is a conviction that has come upon him only lately. For a long time, though the opinion polls, and the by-election results, were registering massive swings away from Labor and toward the Tories, the polls that asked voters to indicate a preference between the two party leaders kept showing an obstinate and ominous majority for Mr. Wilson, who was running far, far ahead of his own party, while Mr. Heath was running far, far behind his.

Beatable Leader

That has now changed; the gap has closed. Mr. Wilson is no longer seen as Labor's unbeatable electoral asset, nor Mr. Heath as the albatross round the Tories' necks.

And what the polls say, Mr. Heath feels. His self-confidence (it is not the result of the polls, of course, but is obviously much strengthened by them) is unmistakable; it is the self-confidence of a man who is certain that within at most just over a year he is going to be prime minister. He could afford to slap down Mr. Enoch Powell after another of the latter's racist outbursts, heedless of those in his own ranks who prefer Powell to him. He goes on television and entirely dominates the interview, instead of, as previously, appearing to apologize for his very existence. He tears into the government like—it is the crucial clue—a man who no longer needs to argue a case that his audience has already accepted.

At the time of the last general election, the nation was being much amused by the sideshow provided by the two giant pandas—one owned by the London Zoo, one by the Moscow Zoo—that had been brought together in London in the hope that they might mate and produce a lot of little pandas. (They didn't.)

At one point, Mr. Heath was giving a press conference, while the election campaign was at its height. He was attacking a Wilson's extravagant claims of Labor's successes, and suggesting that Mr. Wilson was claiming credit for things that were not Labor doing at all. Then he tried a little joke (Mr. Heath is not good jokes). "Why," he declared, "wouldn't he surprised if, in a month's time, Mr. Wilson was having tea in Downing Street with a pregnant panda?"

Ha-ha. Likewise Ho-ha. A few minutes later Mr. Heath realized his blunder; if Mr. Wilson were having tea in a month's time in Downing Street, with or without a panda, pregnant or otherwise, he would still be prime minister. In other words, he would have won the election. Mr. Heath had subconsciously conceived victory, desperately he tried to undo the harm; his aides even telephoned the BBC to ask them not to put the remark out on their news bulletins. (They refused.) But the damage was done.

The new Heath? The new Heath is a man who would not make that mistake now; and that is the long and short of it.

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Japan: The Economic Upswing Shows No Sign of a Slowdown

TOKYO—Japan has entered 1970 with the most bullish of outlooks for the coming decade.

Within six years, Japan's gross national product will exceed the current combined GNP of all six members of the European Economic Community (EEC), forecasts the Japan Economic Research Center.

Yet Japan, though populous, has a land area of only 142,722 square miles stretched over four main mountainous islands and nearly 3,000 small islands, most of them islets. All combined, the islands cover less territory than California with its 158,693 square miles.

As the currently popular term in Japan would have it, Japan is expected to achieve within the next few years the world's highest "economic density" (GNP per square mile or kilometer).

Some senior Japanese government officials, particularly those in the finance ministry, are inclined to dismiss long-range projections about Japan's economy as "mere arithmetic exercises" based on past performance.

Nevertheless, for the next year or so, at least, most Japanese banks and financial institutions are expecting Japan to record real economic growth of 12 to 13 percent.

Fuji Bank Ltd., for one, says it expects Japan's economy to achieve real growth of 12.1 percent in Japan's 1970 fiscal year that will start April 1 this year.

Looking further ahead, the Japan Economic Research Center predicts average real growth of 12.4 percent annually from fiscal 1971 through fiscal 1975.

A Comparison

By comparison the rest of the developed, non-Communist world appears to be making only the most modest of economic progress. In December, the Organization for Economic Cooperation and Development (OECD) forecast that the combined real output of its 22-member countries would rise only about 3.5 percent this year.

Much of the confidence about Japan's economic outlook stems from what appears to be the country's success in overcoming its previous tendency to run into balance of payments difficulties when its economy was expanding at full tilt.

Five times since World War II (1953, 1957, 1961, 1964, 1967), Japan was obliged to impose restraints on its economy because of a deterioration in its balance of payments.

However, the economy, now in the 52d month of an upswing that began in November, 1965, is currently growing at an estimated annual real rate of 13 percent and the balance-of-payments position has never been so strong.

Japan's federation of economic organizations (Keidanren) has forecast that Japan will have a balance of payments surplus of \$1.85 billion in fiscal 1970, a year in which the Keidanren says it is looking for real growth of 11.8 percent.

Japanese government officials believe the economy is growing too fast even though the external payments is in surplus. Much of the concern centers on prices, both consumer and wholesale. In fiscal 1969, consumer prices are expected to rise about 5.5 percent and wholesale prices about 2.8 percent despite government efforts to restrain them.

One official said Japan would be at a serious disadvantage competitively on international markets if prices abroad had not been rising rapidly too.

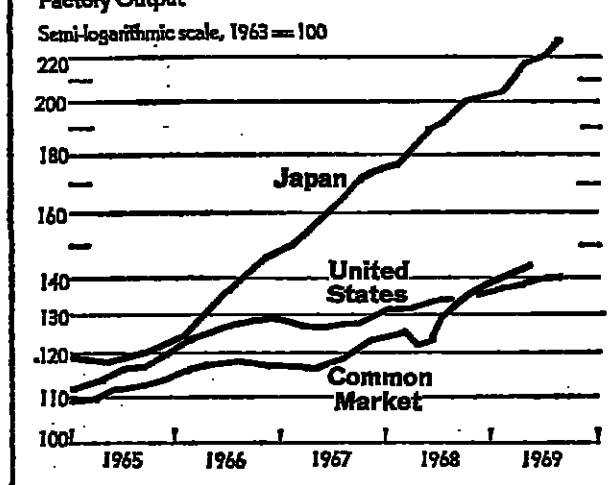
The official said the government "isn't so worried" about trade prospects in 1970 despite the possibility of an economic slowdown or recession in the United States, which takes almost a third of Japan's exports.

Recent export letter of credit statistics, in fact, indicate that Japan's exports will continue to surge ahead for some time to come.

A Bright Picture

These statistics, considered an indicator of trade performance a few months ahead, point to a substantial increase in Japan's exports in the first few months of this year, particularly to Europe. Export letter of credit receipts from Europe in recent months have been running more than 80 percent above the year-earlier level.

Japan's Industrial Growth Compared



Exports for fiscal 1969 on a customs clearance basis are expected to total 16.72 billion, free on board, up from \$13.72 billion in fiscal 1968 that ended March 31, 1969, and up more than three times from \$5.01 billion in fiscal 1962.

For fiscal 1970, the ministry of international trade and

industry forecasts that exports would reach \$19.35 billion. Fiscal 1970, it said, is expected to show a trade surplus of \$4,360 million.

The trade surplus is the big plus in Japan's balance of payments. It more than offsets deficits in most of the country's other external accounts that combine to make up the overall balance of international payments.

Despite the surplus, Japan is only slowly relaxing barriers against foreign goods entering its own market.

"To be quite frank, one has to admit that the Japanese market is well protected," said Olivier Long, secretary general of the General Agreement on Tariffs and Trade (GATT).

Although comparative evaluation of countries' tariff structures is difficult, Mr. Long said in Tokyo recently that initial analysis by computer indicated that Japan has the highest tariffs of all developed countries.

Japan, moreover, is said to maintain, among developed countries, the greatest number of import quotas, restrictions that put quantitative limits on how much can be imported. Scotch whisky, for example, is under Japanese quota and, as the supply is limited, it is prohibitively expensive in Japan for all but the quite affluent.

Japan has pledged to remove by the end of 1971 at least half of the quotas that it considers violate GATT rules. The United States and other countries, however, say the Japanese trade liberalization program is too modest in view of the country's big trade surplus.

The Yen: Persistent Pressure for a Revaluation

By Selig S. Harrison

TOKYO (WP)—Faced with persistent pressures for an upward revaluation of the yen, especially from the United Kingdom and West European countries, Japan is quietly stepping up studies of the possible impact of a 5 to 7 percent adjustment on its all-important export industries.

Most informed observers here see little chance of a change in the rate this year unless rocketing trade balances in the peak months of April and May lead to a sudden upsurge of direct pressure from Washington. But there is a division of expert opinion on long-term prospects.

An influential minority in Japanese official circles argues that a modest and timely revaluation move would help to silence foreign demands for liberalization of Japan's trade and investment regulations and would be less damaging than major concessions in these areas. By making an adjustment of less than 10 percent on its own as permitted under International Monetary Fund rules, it is argued, Japan can avoid exposing itself to IMF demands for more sweeping reforms. "This view envisages a yen valued at not less than 330 per dollar in contrast to the present 360."

Bank Sees "Misunderstanding" Arguing that the present parity of the yen and the dollar is "just and appropriate," the Mitsubishi Bank contends in its current monthly review that pressures for revaluation reflect "a misunderstanding about the real power of the yen." The very fact that critics were urging devaluation as recently as early 1969, bank officials say,

discredits arguments for an upward revaluation now.

The most obvious damage resulting from an abrupt revaluation would fall on overseas business interests in shipbuilding and other areas operating on long-term credits in foreign currencies. Some Japanese businessmen abroad are already beginning to ask for payment in yen just to be on the safe side.

Even more vocal in their opposition to change are export industries fearful that revaluation would destroy their competitive position by forcing them to hike prices. But this is offset to some extent by domestic industries, who see revaluation as a way to head off liberalization of import restrictions.

Farm groups, which face the main brunt of overseas pres-

sures for import concessions, feel that they would suffer less from revaluation affecting the whole economy than from trade liberalization focused specifically in their direction.

Autos and other key manufacturing industries are divided, weighing the possible advantages from cheaper raw materials for the domestic market against the damage to their export thrust. Textile leaders fear intensified competition from imports and see trade liberalization and revaluation as equally objectionable.

The key to the issue will probably lie in the findings of a study currently under way by a high-level committee of Keidanren, the powerful federation of business organizations. Most committee members are reportedly set against revaluation as a threat to exports markets.

But chairman Eiichiro Satoh, former chairman of the Mitsui Bank, sides with the minority view that export prices would be affected by only 2 or 3 percent since cheaper raw materials would reduce manufacturing costs. This view gained a new measure of respectability last week when a major U.S. coking coal exporter served notice on Japanese steel companies that prices would go up from \$14 to \$17 a ton beginning in April.

Whatever the outcome of the current debate, the odds are against any change in the near future. The Japanese government could not easily make a sudden backstage decision without a long semi-public search for a national "consensus," at least in business circles, and at the moment this search is just beginning.

Tokyo Stock Market: A Stellar Performer

TOKYO.—The Tokyo stock market, generally speaking, has been a good place to have your money for the past two years and the prospects for 1970 are good.

Well, most Japanese securities firms say the prospects are good.

The Tokyo Stock Exchange's 325-share price index closed out 1969 at an all-time high of 2,358.96, up 644.07 or 37.6 percent from 1968's close of 1,714.89 and up 1,075.49 or 83.3 percent from 1967's close of 1,283.47.

So much for 1968 and 1969. For 1970, here is an abbreviated balance sheet giving some of the pros and cons that a prospective investor might consider before investing in Japan's stock markets of which the Tokyo Stock Exchange is by far the largest.

The pros:

● The Japanese economy, now in the 52d month of an economic expansion that began in November, 1965, is expected to achieve real growth of 12 to 13 percent in 1970, according to

forecasts by most Japanese banks.

● Corporate earnings in the six months which end March 31, 1970, are expected to increase an average around 9 percent over the preceding six months for 535 firms listed on the Tokyo Stock Exchange that report semi-annual financial results for October-March.

● No radical change is expected in Japan's economic policies as a result of the election victory in December of the pro-business Liberal Democratic party of Prime Minister Eisaku Sato.

● Japan's balance of payments position, which has been strong for 20 consecutive months, is expected to remain strong for the foreseeable future, according to most forecasts.

● In view of the country's strong balance of payments position, new foreign funds are expected to be attracted to the Tokyo market by recurring speculation that the yen may even-

(Continued on Page 10, Col. 5)

Biggest Steel Company In Offing for Japan

TOKYO.—Next month Yawata Iron and Steel Co. and British Iron and Steel Co. plan to merge into what may be the world's largest steel company.

The amalgamated enterprise is to be known, appropriately enough, as Nippon Steel Corp. In terms of crude steel production, Yawata says Nippon Steel had existed then, would have been the world's third largest steel producer at the end of 1968 after U.S. Steel Corp. and British Iron and Steel Corp. was given by Yawata, here it had been the production king of Nippon Steel among the world steel producers at end of 1968:

U.S. Steel (29,349,000 metric tons), British Iron and Steel (19,700,000 m.t.), Nippon Steel (17,800,000 m.t.), Bethlehem Steel (13,481,000 m.t.), August 1968 (11,548,000 m.t.), Wabash (10,040,000 m.t.), West Dortmund Hoogovens (9,400,000 m.t.), Republic (8,844,000 m.t.), Nippon (8,287,000 m.t.), Yawata Metal Industries Ltd. (7,800 m.t.).

The year Yawata-Fuji output is expected to exceed that of

British Iron and Steel and advance close to that of U.S. Steel. For the year ended Sept. 30, Yawata and Fuji produced 25,935,831 m.t. of crude steel, more than a third of Japan's total steel output.

Just what, if any, impact the Fuji-Yawata merger will have on the international steel market is difficult to say.

Spokesmen for the firms have said the merger will make Japan more competitive on the world steel market. This prediction prompted a laugh from an executive of a rival Japanese steel maker.

Foreign steelmen already consider the Japanese steel industry to be "too competitive" in view of the Japanese industry's modern production facilities and comparatively low wage costs.

On the domestic Japanese market, however, the merger may have considerable significance, particularly if Nippon Steel tries to take the role of price leader and coordinator of investments in new steel production facilities.

These were among the concerns of Japan's Fair Trade Commission, which, after block-

(Continued on Page 8, Col. 5)

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JAPAN

Petrochemicals: Another Major Expansion Looms

By John Hadden

TOKYO.—Japan's petrochemical industry is set for a major expansion in 1970, a year that is emerging as a landmark year for ethylene, a basic ingredient for petrochemical products.

Within the next 13 months, five ethylene plants are to go into operation, each with a planned capacity of 300,000 metric tons a year.

Japan currently has one ethylene facility in the 300,000-ton-a-year class.

With the addition of so much capacity next year, the operating ratio of Japan's ethylene equipment, which was 99 percent last year, is expected to drop.

Additional Facilities

However, Japanese petrochemical firms are apparently prepared to risk some surplus capacity in ethylene. Ethylene, said one executive, is as essential to the petrochemical industry as water and should be supplied as abundantly and cheaply as possible.

As well as the five units to be completed within the next 18 months, the government has authorized two other 300,000-ton-plus ethylene facilities for completion in early 1971.

Some petrochemical firms are planning even larger ethylene units in four or five years. Idemitsu Petrochemical Co. said it plans to build a 500,000-ton-a-year ethylene unit at Chiba by 1973. And Mitsubishi Petrochemical Co. said it's planning a 400,000-to-500,000 ton-a-year ethylene facility.

Reflecting the facilities that

are to start operation in 1970, investments in ethylene equipment this year are expected to rise to 44,000 million yen (\$122,300,000) from 29,000 million yen (\$80,600,000) in 1968.

At the end of 1968, the association said U.S. ethylene production capacity totaled 7,600,000 tons annually, followed by Japan and West Germany with about 2,000,000 tons each. Britain 1,200,000 tons and France 1,000,000 tons.

The growth of Japan's ethylene capacity has mirrored the rapid expansion of Japan's petrochemical industry as a whole. Although Japan's petrochemical industry was established less than 15 years ago, it now ranks second to the United States in production among non-Communist countries, the association said.

The industry started its operations with ethylene plants with annual production capacities of 30,000 to 35,000 metric tons.

In June, 1967, the petrochemical firms agreed with the government that future ethylene facilities should have an annual capacity of at least 300,000 metric tons to be competitive internationally.

Strict Control

Despite the petrochemical industry's size, the Japanese government exercises particularly strict control over foreign investments in this sector.

Petrochemicals also are one of only a few areas in which the authorities still insist on the right to examine individually planned contracts for the acquisition of foreign technology by Japanese interests.

One senior government official said the government wants to retain control over the import of petrochemical technology because he said if one Japanese enterprise acquires exclusive rights to foreign know-how, it might be able to disrupt the competitive pattern of the entire industry.

A U.S. petrochemical industry executive said he didn't think the government's position is justified. Japan's petrochemical industry accounts for about 50 percent of Japan's total income from the sale of all technologies.

Of the current equipment investment plans of Japanese petrochemical firms, the industry association said about 40 percent of the projects are based on Japanese-developed techniques while the balance rely on foreign techniques.

TIME TO TAKE STOCK

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The giant Kawasaki Steel works in Misushima on the Inland Sea. Japan is world's largest steel exporter.

Steel Industry: A Changing Competitive Face

(Continued From Page 7)

ing the merger for months, finally gave the two firms on Oct. 30 conditional clearance to consolidate.

The FTC, the country's anti-monopoly agency, expressed particular concern over what it considered would be the dominant position of Nippon Steel in four products: railroad rails, foundry pig iron, sheet piling and tin plate.

Yawata and Fuji have promised the FTC they will take various steps to reduce their comparative strength in these products. The steps include the sale of some production facilities, free provision to other steel firms of certain patents and know-how and sale of a minority interest in a tinplate affiliate of Yawata.

As given by Yawata, here would have been Nippon Steel's share of the domestic market for various products in the year ended March 31, 1969:

Crude steel, 35.3 percent; foundry pig iron, 54.9 percent; hot-rolled ordinary steels, 37.1 percent; tin plate, 60.2 percent; heavy rail, including railroad

rail, 85.5 percent; railroad steel alone, 100 percent; sheet piling, 98.2 percent; heavy plate, 36.6 percent; middle plate, 34.4 percent; sheets, 44 percent; wide strip, 50.4 percent; strip and

hoop, 36.5 percent; cold-rolled sheets, 40.7 percent; check sheets, 64.3 percent; galvanized iron sheets, 32.7 percent; tin alumes, 55.4 percent; and rods, 36.7 percent.

A Need for Labor, Coking Coal and Ore

TOKYO.—Japan's steel industry estimates that foreign and domestic demand for Japanese steel, in terms of crude steel, will reach approximately 180 million metric tons in Japan's 1975 fiscal year.

Fiscal 1975 will start April 1, 1975.

In the current 1969 fiscal year that ends March 31, 1970, Japan is expected to produce more than 85 million metric tons of steel, up more than 24 percent from the 68,947,000 in fiscal 1968, the Japan Iron and Steel Federation said.

Within the Japanese steel industry, considerable doubt is expressed whether Japan will be

able to produce 180 million metric tons of steel in six years because of the prospect that the industry may run short of labor and coking coal.

An executive at Yawata Iron and Steel Co. estimated that the industry's blast furnaces, the largest in the world, would have to pour about 135 million metric tons of pig iron to produce 180 million of steel.

And to produce that much pig iron, he estimated that Japan would have to fuel its blast furnaces with about 195 million metric tons of imported iron ore.

With a view to its future iron ore needs, the Japanese steel

industry has concluded long-term contracts for iron ore from the U.S., Australia, Chile and other countries.

Within five years about 60 percent of Japan's iron ore imports are to come from Australia. Last year Australia supplied 20.3 percent of Japan's iron ore imports.

India accounted for 18.6 percent of the total, Chile, 12.8 percent, Peru 10.5 percent, Malaysia 7.5 percent, the United States 5.3 percent, South Africa 4.2 percent, Brazil 3.2 percent and Canada 2.3 percent.

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JAPAN

Foreign Investment: Unlocking the Door

TOKYO.—Next fall the Japanese government is to announce a new list of industries in which foreign investment will be automatically approved to a limited extent.

It will be the third stage of what Japanese authorities describe as their "capital liberalization program."

The first stage of the three-year program took effect July 1, 1967, and the second stage March 1, 1969.

The program applies only to new ventures. And, in most cases, it limits foreign ownership to 50 percent of a new venture's equity.

Occasionally the authorities will permit a foreign partner in a venture that he helped establish increase his ownership of the venture, provided the Japanese partner wants to reduce his investment or sell out.

No Takeover

Virtually out of the question, however, is a foreign takeover of a Japanese company, established and owned by Japanese interests.

Under rules that Japanese authorities say they have no intention of changing, foreign investment in existing Japanese enterprises may not, in most cases, exceed 20 percent of the outstanding shares.

If the regulations were lifted, control of some major Japanese enterprises could, theoretically at least, be acquired at comparatively low cost because the ratio of their stockholders' equity to total assets is comparatively low by international standards. This has resulted from a situation in which Japanese companies have found it less costly to raise funds for expansion by borrowing money rather than increasing their equity capital.

Though considerable publicity has been generated by the first two stages of the capital liberalization program, only about a half a dozen foreign investments have been made in the liberalized industries.

This is because many of the liberalized industries have been unattractive to potential foreign investors. The industries have included such activities as soy sauce and monosodium glutamate production, areas in which Japanese firms are particularly competitive.

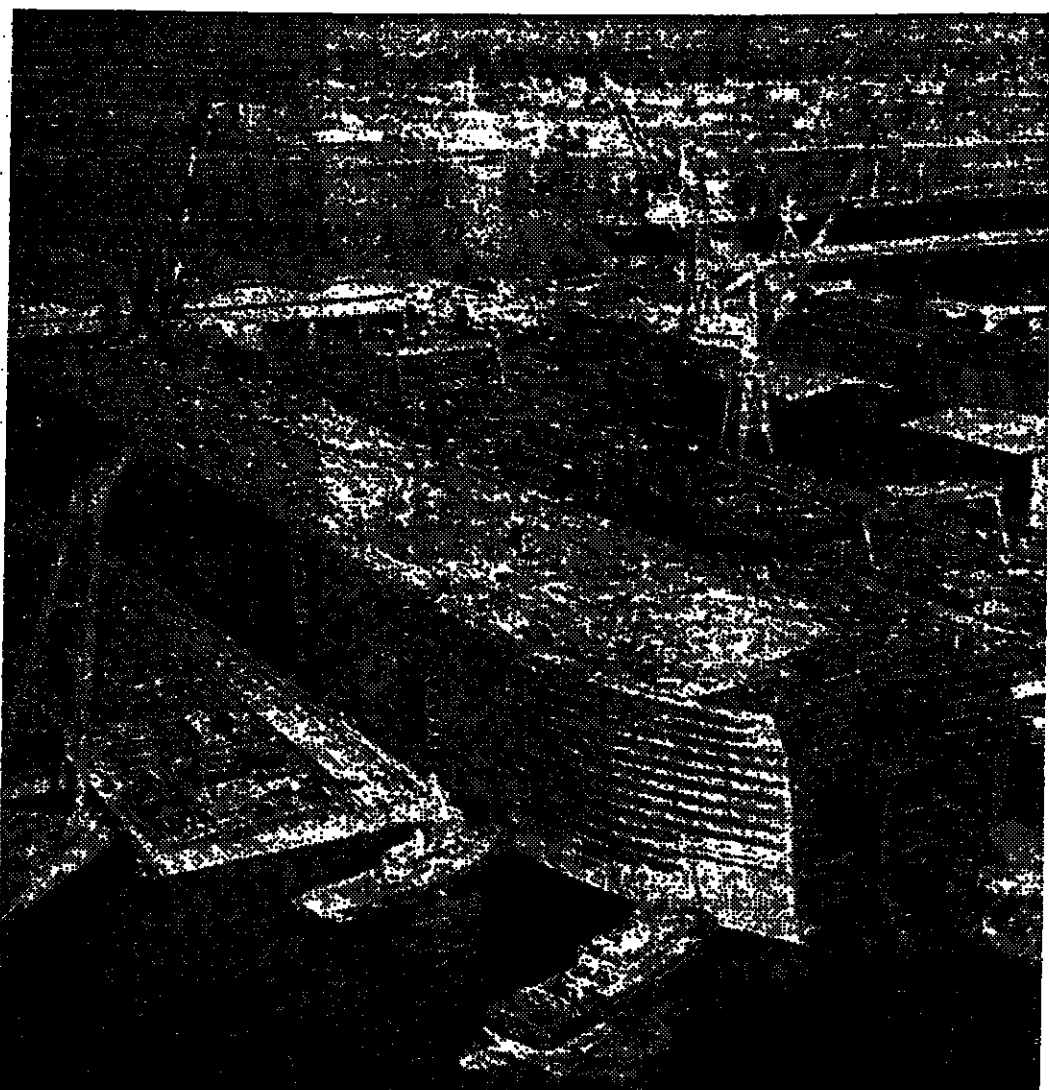
Forms of Investment

Most foreign investment in Japan is made in non-liberalized industries. These investments are screened on a case-by-case basis with each project subject to close scrutiny and possibly extensive revision by government authorities.

Some projects in non-liberalized areas are approved quickly. But others may take up to a year for sanction, as was the case of a joint cheese production venture planned by Kraft Co. Corp. of the United States and Morinaga Milk Industry Co. of Japan.

In liberalized industries, by contrast, foreign investment projects are to be given automatic approval and cleared quickly once an application is received.

The investment liberalization program is designed to bring Japan eventually into line with its various commitments including the capital movements code of the Organization for Economic Cooperation and Development (OECD), which Japan joined in 1964.



At work in the Yokohama shipyard.

Ships: A 2-Year Backlog of Orders

TOKYO.—Within about three months, a formal contract is to be awarded for a 400,000-deadweight-ton tanker.

The ship will be far larger than any vessel currently afloat, and, perhaps to no one's surprise, it is to be built in Japan.

Under a provisional agreement, the vessel is to be built at the Kure shipyard of Ishikawajima-Harima Heavy Industries Co. (IHH) for Globtik Tankers Ltd., of London.

The largest vessels now afloat are six 326,000 dwt. tankers and they were also built in Japan. They are owned by Bantay Transportation Co. of Liberia, an affiliate of National Bulk Carriers Inc. of the United States.

The Globtik contract will reaffirm, if reaffirmation is necessary, Japan's supremacy in supertanker construction if not in shipbuilding as a whole.

Tops in Tonnage

For the past 13 years, Japan's shipbuilding industry has launched more tonnage than the shipbuilding industry of any other country.

The Japanese industry builds about eight million gross tons annually, of which about 97 percent is exported. Currently the industry has an order backlog equivalent to more than two years' work, says Koichi Toyama, executive vice-president of Nippon Kokan K.K., a major Japanese shipbuilder.

Mr. Toyama attributes Japan's success in shipbuilding to an active and stable world demand for vessels, rapid technological

development in shipbuilding and major changes within the shipbuilding industry.

In the past, he said, the shipbuilding industry was characterized by relatively short-term charters and placement of orders for new vessels on a speculative basis.

However, in recent years, most of the leasing contracts have been on a long-term basis. This has enabled shipping companies to make long-term plans for new ships which, in turn, has assured a stable demand for the shipbuilding industry.

Replacement Demand

Mr. Toyama said demand for replacement vessels has increased sharply because of technological developments that have reduced the economic life of vessels faster than originally expected. The developments include, he said, increased size, service speed and specialization.

In producing tankers, Japan has employed mass production methods that have worked well for the United States in so many fields, Andrew Gibson, head of the U.S. Maritime Administration, said in Tokyo recently.

The Japanese shipbuilding industry, he said, recognized the large potential market for tankers and went after it. However, he did not think Japanese shipyards could match U.S. yards in the diversity and range of their vessels.

Some Japanese shipbuilding executives, at least, are inclined to agree more or less with Mr. Gibson's view. One executive recently described a supertanker his company is building as a

"large oil can," that he said is really very simple to build despite its size.

Japanese shipyards have studied but as yet have shown no firm inclination to undertake such projects as submarine oil tankers, of which General Dynamics Corp. of the United States is proposing to build six to transport oil from Alaska's North Slope.

Few, however, could question the vision and the tenacity with which the Japanese shipbuilding industry has developed facilities for the large-scale production of tankers, bulk carriers and multi-purpose freighters.

To keep abreast with what they foresee as a steady growth in world demand for new vessels, Japanese shipbuilders are planning to construct large new yards for assembly-line type construction.

Nippon Kokan says its new TSU yard, which is designed to build, launch and repair up to 500,000-ton ships, is currently the largest such facility in Japan. Mitsubishi Heavy Industries Ltd., however, has asked for government approval to build a dock with a capacity of one million tons.

The company said it has no plans to build a vessel of a million tons. It would use the dock to build in series vessels of 250,000 dwt. to 300,000 dwt.

Japanese shipbuilders say their biggest problems are meeting their labor requirements and holding down production costs which have been under heavy pressure because of rising wages and material costs.

Food: For Export Trade The Big Item Is MSG

TOKYO.—When U.S. medical journals first referred to the "Chinese restaurant syndrome" early this year, the subject was taken rather lightly.

Not any longer, at least in Japan.

Researchers have singled out monosodium glutamate (MSG), a flavor enhancer, as the cause of the headaches, dizziness, burning sensations in the neck and back, and numbness that some people experience after dining in a Chinese restaurant.

In Japan, MSG is a big business. Japanese MSG producers, which include such major firms as Ajinomoto Inc. and Asahi Chemical Industry Co., are concerned about the possible impact on their exports of the recent decision by major U.S. food makers to remove MSG from their products.

In 1968, Japan produced 555 metric tons (mt) of MSG, up from 18,500 mt in 1967 and up from 36,303 mt in 1966. Japan's MSG exports last year totaled 18,776 mt, of which 101 mt went to Europe, 6,863 mt to the Americas, 823 mt to the Middle East and South Asia, and 5,248 mt to Southeast Asia, the Japan Food Sealing Manufacturers Association reports.

The association said Japan is expected to account this year for about half of the world's MSG output, which it estimated will total about 300,000 mt.

Although Japan's overall MSG exports have risen to 18,776 mt in 1968 from 13,222 mt in 1964, its exports to Europe during the same period have declined to 6,501 mt from 7,385 mt in 1964.

Since July 1968, when the Common Market raised its external tariff on MSG, the association said prospects for a further expansion of MSG exports to Europe "seem rather poor."

Glutamic acid, from which MSG is derived, was discovered in 1908 by a Japanese, Dr. Kikunae Ikeda.

Having noticed that kombu (kelp) was widely used to prepare the stock base in Japanese cooking, Dr. Ikeda found that kombu's essential ingredient is glutamic acid.

Subsequently it became possible to extract glutamic acid from wheat and soybeans in large quantities. In this process, protein is first extracted from wheat or soybeans, as raw material.

It is then subjected to hydrolysis to obtain glutamic acid hydrochloride, which in turn is neutralized with alkali to get MSG.

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JAPAN

Autos: 14th Consecutive Year Of Record Production and Sales

TOKYO.—Japan's auto industry has wound up what will be its 14th consecutive year of record production, sales and exports.

But what of 1970?

Well, the odds would seem to favor yet another record year despite prospects for an economic slowdown in the United States, the largest single export market for Japanese motor vehicles.

According to provisional results announced by the Japan Automobile Manufacturers Association, Japan produced 4,682,000 four-wheeled vehicles in 1969 (2,617,000 autos, 2,065,000 trucks, 43,000 buses), up from 4,085,826 vehicles (2,055,821 autos, 1,991,407 trucks, 38,598 buses) in 1968, and up from only 481,581 vehicles (165,094 autos, 308,020 trucks, 8,437 buses) in 1960.

In January-October last year, Japan produced 3,821,788 four-wheeled motor vehicles (2,101,437 autos, 1,685,348 trucks, 35,001 buses), up from 3,397,818 units (1,870,817 autos, 1,664,975 trucks, 32,025 buses) in the like period of 1968.

In 1970, growth in Japanese demand for motor vehicles may slacken because of the government's efforts to slow somewhat the rapid expansion of the Japanese economy.

Motor vehicle exports, however, are expected to continue their surge. In 1969 Japan's exports of four-wheeled vehicles totaled an initially estimated 857,000 units, up almost 40 percent from the 613,429 units in the like period of 1968, and up from only 38,809 units in 1960.

Toyota's Success

Toyota Motor Co., the largest of Japan's 12 motor vehicle makers, expects its exports to the United States to increase 50 percent next year. To all markets, Toyota exported 322,945 units in January-October, 26.7 percent of its total January-October output of 1,206,639 units.

Nissan Motor Co., the second largest Japanese auto maker, also expects a sizable increase in its exports to the United

States next year and in subsequent years. And Toyo Kogyo Co., the third largest Japanese auto producer, plans to start exporting to the United States next year.

Much of the export growth of Japanese auto-makers is expected to come at the expense of United States and West German auto makers, particularly West Germany's Volkswagenwerke AG.

Reports in Tokyo said recently that Volkswagen had suggested collaborating with Nissan in export markets, but in West Germany Volkswagen denied it.

For their 1970 models, Toyota and Nissan have raised their U.S. prices, but, on the average, the increases are lower than those Volkswagen was forced to make partly because of the deutsche mark revaluation.

Export Deterrent

Exports aren't considered too profitable by most Japanese motor vehicle firms, at least at present when they are involved in the costly process of building up distribution networks abroad.

A Nissan executive said his company is reluctant to see exports exceed 20 percent of sales because of their low profitability.

As for the domestic market, Nissan executives have been saying for some time they expect domestic demand to hit a peak around 1972 and level off.

Yuzo Yamazaki, a Nissan director, estimates that Japan's motor vehicle production will total about 5,500,000 units when the plateau is reached.

Others dispute Nissan's projections as too pessimistic. With a population of just over 100 million, they note that at the end of 1968 Japan had only 5,209,319 passenger cars in use, according to the Automobile Manufacturers Association.

On the other hand, Japan's cities already are seriously congested with auto traffic. Many people find an automobile impractical in Tokyo.

Whether by accident or design, Japan has decided to relax partially its controls on foreign investment in its auto industry

on Oct. 1, 1971, just about the time Nissan sees domestic demand approaching a plateau.

The planned relaxation will allow only new ventures in the auto industry and prospective foreign investors will have to find a Japanese partner or partners to take up 50 percent of any venture's ownership.

No relaxation is envisaged of the strict controls on foreign investment in existing Japanese motor vehicle firms.

Mr. Yamazaki acknowledges it would be almost prohibitively expensive to establish a new integrated automobile manufacturing enterprise in Japan. But he said \$300 million would suffice to get a controlling interest in an existing Japanese auto-maker of "the first order."

So far Chrysler Corp. is the only foreign auto firm to announce firm plans to make a direct investment in Japan. It is scheduled to collaborate with Mitsubishi Heavy Industries Ltd.

Next year Mitsubishi is to spin off its motor vehicle division into Mitsubishi Motor Co. and sell Chrysler a 35 percent interest in the new firm.

The project is expected to meet some tough resistance despite the considerable political influence of the Mitsubishi Industrial group of which Mitsubishi Heavy Industries is a cornerstone.

Candidates for Affiliation
Other U.S. and European auto-makers are sounding out Japanese firms about the possibilities of some form of affiliation in Japan.

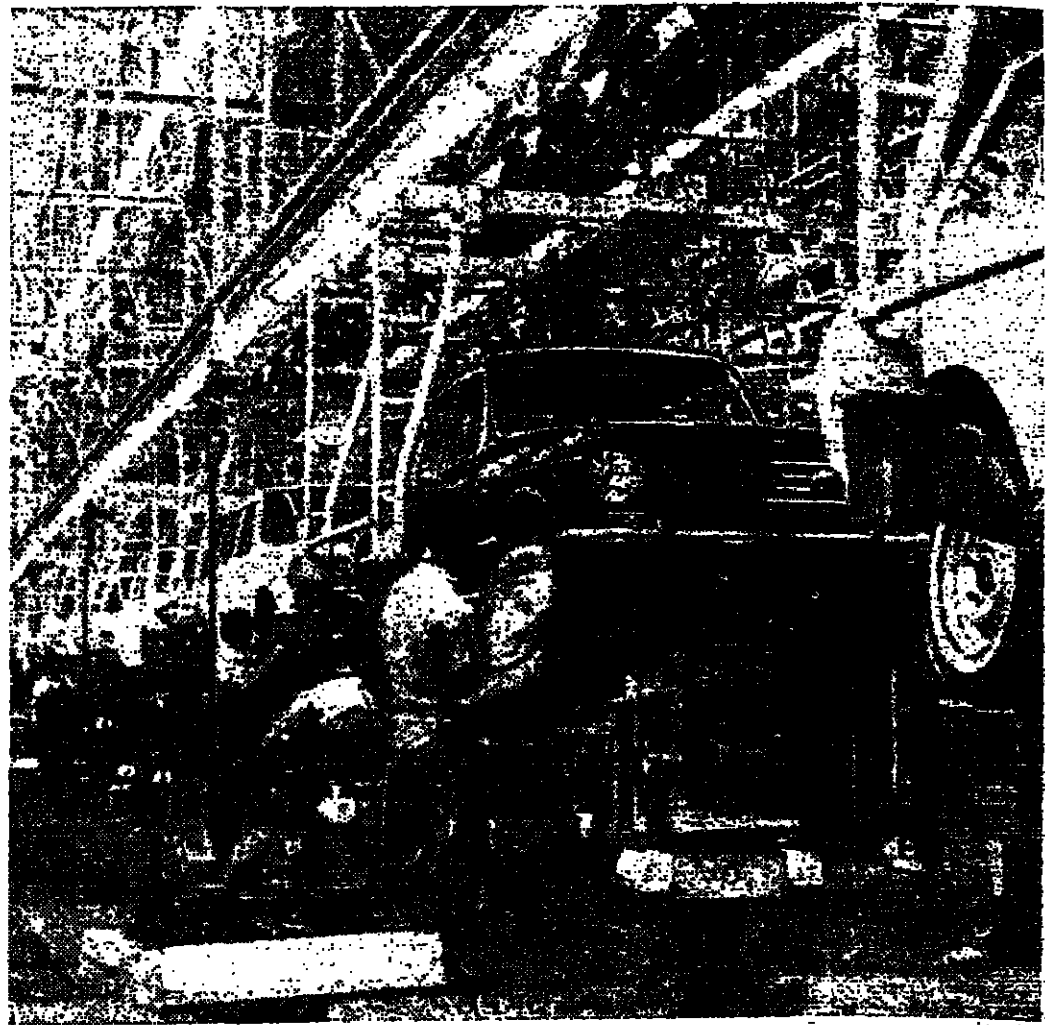
Much speculation in Japan centers on the futures of Toyo Kogyo, Honda Motor Co. and Isuzu Motor Co., which of Japan's 12 motor vehicle makers are considered the most likely candidates for a tie-up with foreign interests.

Toyo Kogyo, which makes both rotary and conventional piston engine-powered vehicles, has said repeatedly that it intends to go it alone. Isuzu has indicated it is open to proposals from foreign interests, but it has repeatedly denied various reports that it was planning a tie-up with one or another foreign company.

Honda also has said it intends to remain independent of any affiliation, domestic or foreign. The company has financial links with the Mitsubishi Bank Ltd. guaranteed payment of a \$20 million Honda bond issue in the Eurobond market.

By manufacturer, here are the 1969 registrations of new autos, trucks and buses in Japan excluding small vehicles with a piston displacement of 360 cubic centimeters or less. The percentage change from the previous year is in parentheses.

Toyota 1,040,363 (up 28.7 percent), Nissan 837,253 (up 20.2), Toyo Kogyo 309,601 (down 2.9), Mitsubishi Heavy 186,973 (up 5.5), Isuzu Motor Co. 132,199 (up 5.1), Daihatsu Kogyo Co., a Toyota affiliate, 57,651 (down 6.9), Fuji Heavy Industries Ltd., a Nissan affiliate 47,760 (up 24.5), Hino Motors Co., a Toyota affiliate, 34,232 (up 29.4), Honda Motor Co. 18,326 (up 1,064.3), Nissan Diesel Co., a Nissan affiliate, 15,424 (up 28.6), Suzuki Motor Co. 151 (down 56.5), Impero 17,485 (up 24 percent). Honda's large percentage increase is due to the fact that until last year the company had largely concentrated on mini-cars in the 360 cc class.



Tokyo's Bullish Stock Market

(Continued From Page 7)

usually have to be revalued. Despite repeated finance ministry assertions that Japan has no intention of changing the yen's parity, government officials have been unable to curb the speculative talk about the yen.

Despite the general rise in stock prices in the past two years, the price-earnings ratio of all issues listed on the Tokyo Stock Exchange's first (principal) section was only 14.35 at the close of 1969 trading. This ratio compares favorably with those of other stock markets. It also compares favorably with 1961 when Tokyo stock prices surged upward on heavy speculative buying. In July, 1961, the average price-earnings ratio of the issues on the 225-share index reached 23.54.

Of two government-aided stock pools set up in the mid-sixties to support stock prices, one, the Japan Securities Holding Association, has been dissolved. And the other, the Japan Joint Securities Co., has sold off most of its holding and become a comparatively minor factor in the market. The two organizations had been considered potential dampers on any sustained price rise because they were viewed as potential sellers in a rising market. However, their holdings have been largely liquidated in the past two years without seriously curbing the price advance.

Japanese securities firms, foreign stock analysts say, are capable of providing recommendations based on much sounder data than is available concerning enterprises in many European countries.

Volume on the Tokyo stock market is heavy and most foreign investors report little difficulty buying or selling even substantial blocs of shares.

The cons:
Share prices often fluctuate sharply, although the stock exchange authorities generally limit the maximum rise or fall to one day to 300 yen (83.4 U.S. cents), which is substantial when the comparatively low price of most Japanese shares is considered. A round lot, moreover, is generally a thousand shares.

Although Japanese securities analysts and the facts they provide are well regarded at least in comparison to Europe, the financial reports of Japanese corporations to their Japanese shareholders leave much to be desired as a source of information for investment decisions. Japanese law doesn't

require Japanese companies to consolidate their financial results. In their shareholders' reports, Japanese companies are able to adjust their net income up or down, rather arbitrarily, by adjusting the sums they set aside in special reserves. To compensate for this situation, analysts ferret out information from a variety of other sources to supplement data from shareholders' reports.

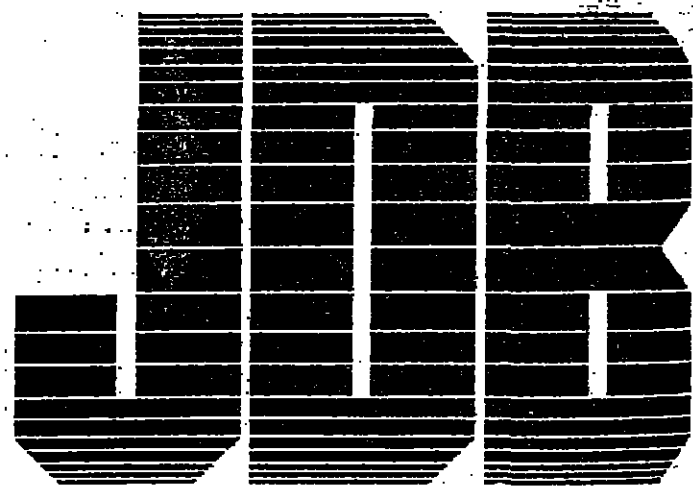
Although the Finance Ministry's securities bureau is trying to combat it, insider dealings, based on unannounced corporate information, is considered a problem.

The Tokyo market has no position equivalent to the specialist of the New York Stock Exchange. For want of such an individual, some issues close "unquoted" periodically because of the inability to match buy-and-sell orders.

Some issues that are considered attractive are closed or virtually closed to foreigners for the time being, at least, because other non-Japanese already have purchased the maximum

amount of shares in these issues permitted under Japan's foreign investment regulations. The regulations limit total foreign investment to 15 to 20 percent of outstanding shares depending on whether the company is in a "restricted" or "unrestricted" industry. A single foreign investor is limited to 7 percent of a company's outstanding shares. The regulations are particularly restrictive for foreign institutional investors, although in the past year the Japanese authorities have allowed foreign investment to exceed the 20 percent level in several issues.

Some Japanese industries are particularly vulnerable to possible protectionist moves by the U.S. Congress. Sony Corp., for example, derives more than 57 percent of its sales from exports, much of which go to the United States. Recently Japanese brokers and others have expressed concern over possible moves to curb Japanese exports of home entertainment equipment to the United States, particularly color TV sets.



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JAPAN

Expo 70: Playing Host to the World

TOKYO.—Expo 70 is to open in Osaka March 15 and prospects are that it will be a considerable success despite some nagging problems.

Like Expo 67 in Montreal, accommodation may well be the chief difficulty at Expo 70, the first world exposition to be held in the Orient.

Expo 70 officials say they expect the Osaka area will be crowded during March, April and May. But from June until the exposition closes Sept. 13, they say much room is available.

Many foreigners will doubtless stay at Ryokans, Japanese inns where they will sleep on the tatami (mats) floors in futon (comforter-type bedding).

The Expo 70 lodging center also is arranging to accommodate foreign visitors in Japanese homes at the rate of \$7 a day.

Hotels Full

Many Western-type hotels in the Osaka area already are full for most of the exposition. Most rooms have been taken by Japanese who have been willing to pay as much as a 50 percent surcharge for a hotel room.

The Japanese government has asked hotels to give priority to foreign guests who, Expo 70 officials expect, will total about a million out of a total Expo 70 attendance of about 30 million.

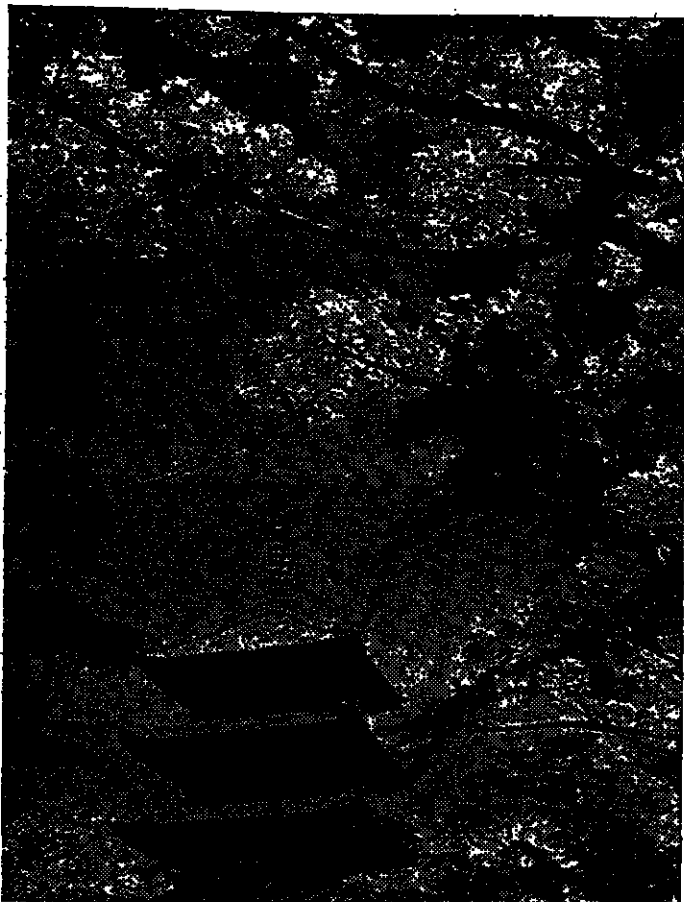
One Osaka hotel owner said that in principle he was prepared to comply with the government's request. But he said "inquiries from abroad are so tentative and vague that you can't tell whether they are coming or not."

"The temptation to accept Japanese visitors with solid plans," he said, "has been too great to turn down."

Despite the accommodation problem, many foreigners who attended the Olympics in Tokyo say they expect Expo 70 will be carried off with the efficiency and enthusiasm that they say characterized the 1964 event.

Scheduled to participate are 74 foreign countries plus Hong Kong, Washington State, three Canadian provinces, and four international organizations. At Expo 67, 60 foreign countries participated.

In addition, the Japanese government, three government or-



feet tall. Adjoining festival plaza will be a lake with a floating stage.

Expoiland: Covering 41 acres, this will be the amusement center like La Ronde at Expo 67. Among the attractions will be the Deikarasaurus, a two-course roller coaster that is to operate at speeds up to 40 miles an hour.

Pavilions: They include entries from countries as small as Abu Dhabi, Haiti and Gabon. One pavilion is suspended in mid-air from a 120-foot arm-like cantilever. Another is supported by beams filled with compressed air. Still another has four outer sloping walls made of mirrors.

On-site transportation: Linking all five entrances to Expo 70 will be a moving sidewalk 2.5 miles long. Constructed within a transparent plastic tube, 12 to 18 feet above ground, the sidewalk is said to be capable of carrying 8,750 people an hour through the entire exhibition area. Circling the exhibition area will be a 2.5 mile-long monorail. Each monorail train will have four cars capable of carrying a total of 540 persons. Each train will circle the grounds every 15 minutes, stopping at seven stations.

Some of the special attractions during Expo 70:

March: Berlin Opera.

April: Flower festivals of the world, Ommeegang from Belgium, Italian song festival, Cuban Mariachi Band, Paris Symphony Orchestra.

May: children's festival, national festivals of the world, Caribbean Festival, European Carnival, Berlin Philharmonic.

June: Miss Universe candidates parade, Canadian National Ballet, water show, Japanese Opera, Montreal Symphony, martial arts festival.

July: Holiday on Ice, Japanese folk dances, chanson festival, Latin festival, Leningrad Philharmonic, variety of America, Polytechnic Review.

August: Asian festivals, Greek theater, jazz festival, Trinidad steel bands, Bolshoi Opera, Ballet Celeste, elephant parade festival.

September: Japanese autumn dances, New York Philharmonic.

ganizations and 26 private Japanese groups are to have exhibits.

By the end of December, Expo officials said they expect the exteriors of the more than 80 pavilions will be completed. "We're ahead of schedule on the pavilions," one official said.

Here, in capsule form, will be the features of Expo 70:

Theme: Progress and harmony for mankind (Expo 67—man and his world; Expo 58—technology and humanism).

Site: 615 acres in the Senri Hills, about 10 miles northeast of central Osaka. The site's central area is relatively low and is surrounded by hills that give it a natural bowl shape. A mountain range forms a background for the site.

Layout: Expo 70 is designed as a model city of the future. It roughly can be divided into two parts. One part contains

the pavilions, the symbol area, an artificial lake, a large Japanese garden, and an amusement center. The other area contains support facilities such as parking lots and power generators.

Symbol area: Encompassed by pavilions, the symbol area will be the heart of the exposition. The center of the symbol area is covered by what is said to be the world's largest transparent roof. It is 964 feet long, 356 feet wide and is supported 88.4 feet above ground by six pillars. Under the 4,700-ton roof will be the theme hall and the Omatsuri (festival) Plaza. Rising through the roof, which was erected in July, will be a 180-foot tower of the sun. Flanking the sun tower will be the towers of youth and motherhood.

Festival plaza: It will include a grandstand capable of accommodating 2,500 people, and a mobile stage operated by giant robots, one more than 70

An American's View

'21st Century Will Be Japan's Century...'

By David Mansfield

TOKYO.—As most everyone agrees, Japan is destined to play a greater role in world political affairs, one more commensurate with its position as the non-Communist world's second largest economic power.

Herman Kahn of the Hudson Institute, for one, thinks that the "21st century will be Japan's century."

Not surprisingly, the author and defense analyst is quoted frequently in Japan, particularly by Prime Minister Eisaku Sato. So, too, is Peter Drucker, author of "The Age of Discontinuity," a best seller in Japan.

About their future, Japanese leaders have some provocative views, particularly with regard to the country's future population and national defense.

Here, in excerpts from recent speeches, are some forward-looking views expressed by Mr. Sato and Finance Minister Takeo Fukuda, former secretary general of the ruling Liberal Democratic party who is considered a possible successor to Mr. Sato:

POPULATION (Mr. Sato): "The birth rate in Japan is said to be among the lowest in the developed countries of the world... The fact that (Japan's) spectacular economic development was made possible through the combined national power of our 100 million population makes it obvious that recovery of a standard birth rate will be a major policy target."

DEFENSE (Mr. Fukuda): "With the strengthening of her economy, Japan now should increase her efforts to build up her own defense force. And I consider it to be of utmost importance to strengthen the sense of duty of our people to defend our own country by ourselves."

TECHNOLOGY (Mr. Sato): "From now on, emphasis should be shifted to developing technology selectively and on our own initiative... emphasis heretofore has been placed on adapting and assimilating technology introduced from abroad. Technology with originality must be developed. And the newly developed original technology should be used for foster-

ing industries and techniques related to improving our living environment..."

AID (Mr. Fukuda): "We intend to keep on expanding our aid as far as our economic resources permit and hope to double the economic assistance to Asia within five years."

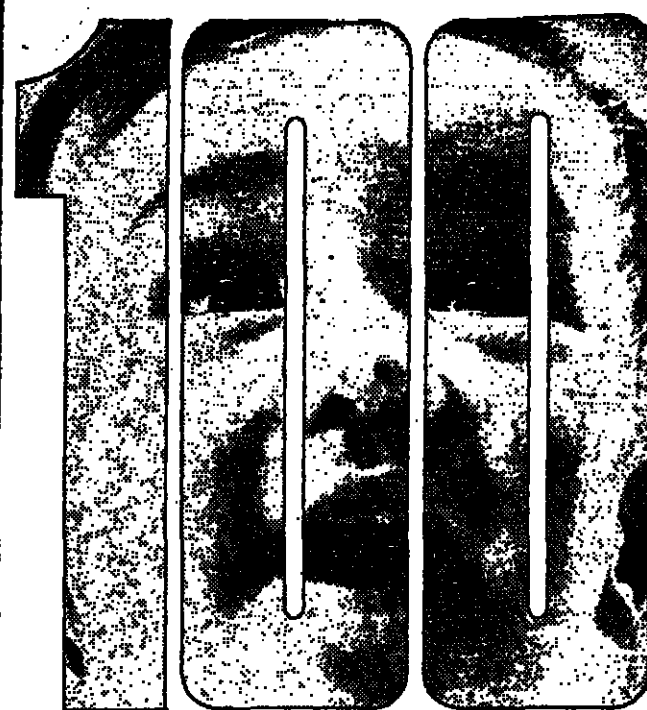
EDUCATION (Mr. Sato): "In my opinion... the latter half of the 20th century is an age of international competition in education, and only the countries that have survived this competition will hold a valuable place in the 21st century. Amidst the present confusion in student movements, we should not lose sight of our long-range education policy."

TRADE LIBERALIZATION (Mr. Fukuda): "Despite many domestic problems still standing in our way... I would like to accelerate the current pace (of Japan's liberalization of its import controls)."

INVESTMENT (Mr. Sato): "Emphasis has hitherto been placed on equipment investment and exports centering on heavy and chemical industries. Henceforth, priority should be given to improving living environments, and to international cooperation, as in the economic development of developing nations."

MONEY (Mr. Fukuda): "With the activation of Special Drawing Rights (by the International Monetary Fund), gold will surely become less important as international liquidity. However, maintenance of a happy coexistence of gold with other kinds of liquidity is essential for the sound working of the international monetary system for some time to come."

POLITICAL TASK (Mr. Sato): "I consider that the most worthy target we can set for ourselves would be to direct the creative capacity of the Japanese people to man's welfare and particularly to the peace and stability of Asia. The greatest political task for Japan in the 1970s is to channel the energy of the Japanese people in this direction."



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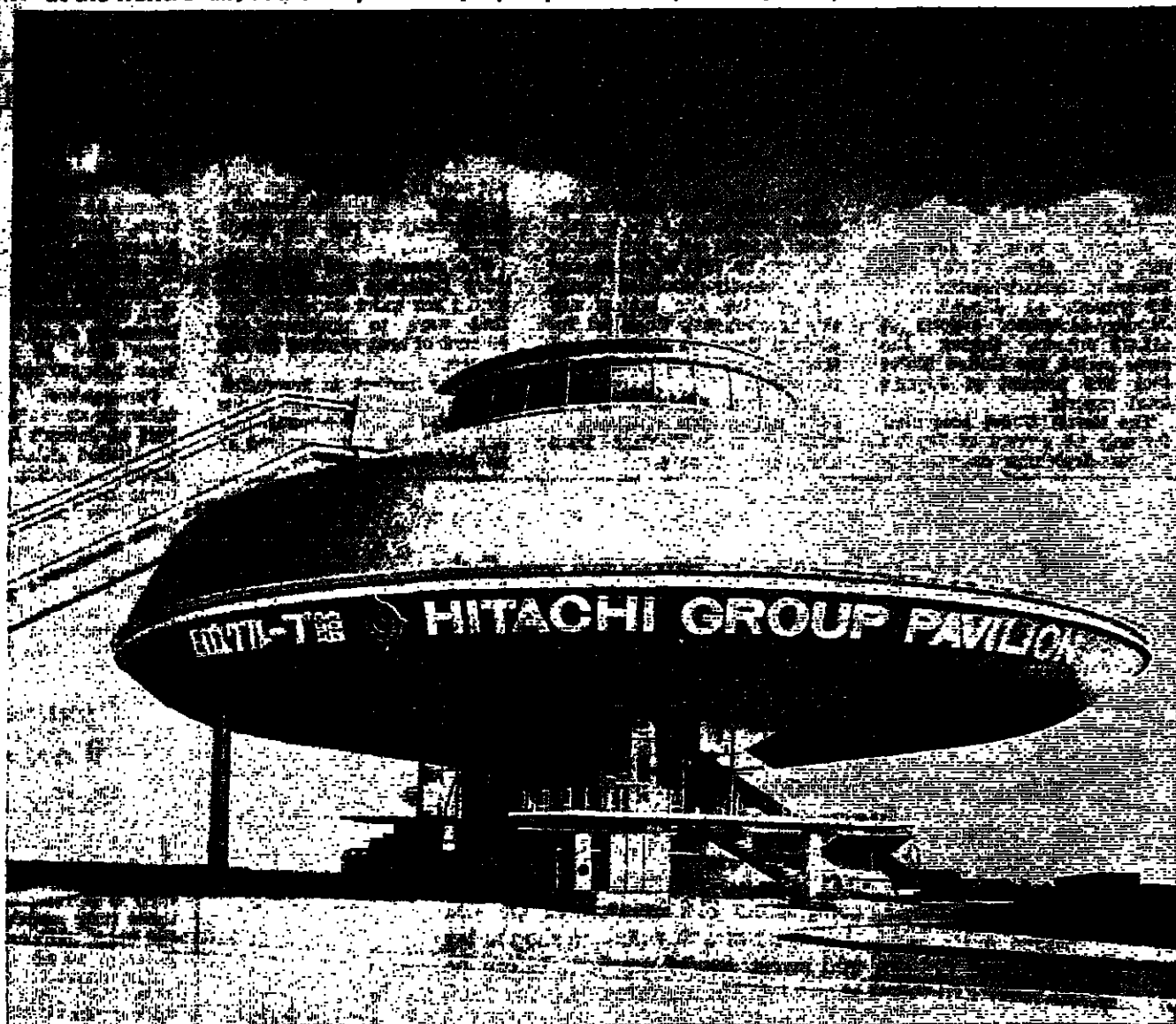
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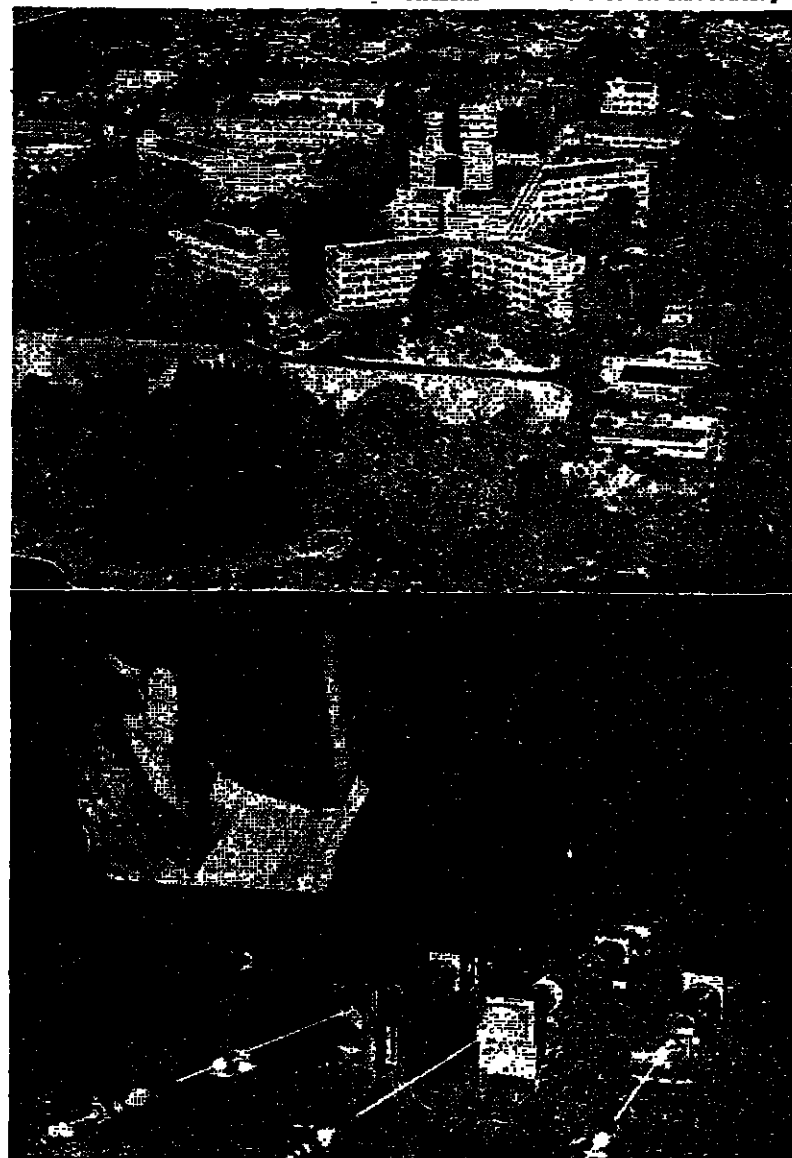
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A Look Ahead: Expansion Is Not the Only Master

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By Yusuke Kashiwagi

TOKYO—The Japanese economy has witnessed a high rate of growth for almost a quarter of a century since the end of World War II. We have at times been criticized for attaching too much importance solely to economic growth. But I think it has been a tremendous achievement to have reached the present stage.

Japan has the second largest gross national product in the free world, following the United States. Per capita income has reached the level of Italy, about one half that of the United States. And we are progressing faster and higher.

I think we are now at a very crucial crossroad. Where do we go from here? What should be our aspirations?

There have been quite a number of studies made by several institutions on the future course of our economy. Most of them more or less concern predicting a doubling of our present G.N.P. to a more than \$300-billion economy in five years' time and a further doubling to a more than \$600-billion economy by the end of the decade. This would perhaps be a projection of 15 percent nominal growth (10 percent real growth) continuing over this period.

However, such predictions based upon econometric models, by the nature of the models themselves, do not necessarily take fully into account structural changes. Assumptions and conditions not necessarily appearing in the inputs of the mathematical models are most important in forecasting the future course of an economy such as ours.

It goes without saying that political stability and appropriate economic management with good planning and the necessary discipline of the country are the basic prerequisites for the realization of a \$300-billion or a \$600-billion economy. These two factors have, I believe, provided the foundation for our success in achieving rapid economic growth with relative stability in the past, and we should not spare any efforts to maintain them in the future as well.

Even if these two basic premises are satisfied, there remain a number of difficulties standing in our way. The most obvious are the well-known problem of spiraling prices and wages; the expected slowdown of the

aggregate labor force coupled with the dwindling flow of population to urban areas; the development of domestic technological know-how and the problem of social overhead capital lagging so far behind the advance in the private sector.

Cities Congested

We are also now faced with numerous social problems arising out of the rapid modernization and industrialization of the society—the congestion in the cities as compared to the flight of people off the land, the housing problem, the pollution problem in its aspects and the "campus problem" in all its complexities.

We are coming to realize that economic growth in itself is not the answer to the needs of the people. I think, for the future, our economic objective would become more diversified to encompass not only economic growth, but more to meet the needs of modern society.

I realize the problems I have mentioned are quite difficult, but firmly believe that they are not insurmountable. The basis of my optimism is my strong belief in our people's ability to adapt to new and changing circumstances, the power to create and to innovate, sometimes at the price of sacrificing the old. This has always been the greatest asset of our country, and we will again need it desperately in the coming decade.

To give you a conspicuous example of our people's adaptability, I may cite our ability to fine-tune the economy, which has enabled us to overcome a series of balance of payments crises.

Reclaimed Land

I personally have been involved as a responsible official of the Ministry of Finance in five of these crises. Each crisis resembles the previous one on the surface. At the same time, they were not really the same, so the corrective steps had to be patterned to fit the situation.

At one time, the exchange control was to be used as the major instrument. Later, it was the proper mix and degree of fiscal and monetary policies—"window guidance" and "administrative guidance." New instruments and new devices have continually been invented and experienced, and I feel satisfied that considerable success has been achieved.

Another remarkable example of our people's imagination or

vision was the creation of entirely new large-scale seaside industrial areas through reclamation of land from the sea. They have the merits of taking full advantage of geographical location to create the most efficient and productive places for new industries, more than enough to offset any demerits coming from poor natural resources.

I will not spell out a specific blueprint for the coming crucial decade today, but instead will briefly express my personal view as a member of the economy.

I am no expert on political affairs, but I would judge that relative stability can be fairly

expected over the next decade. I would think that economic stability over these years is of paramount importance to assure this stability, especially in Japan, where new generations accustomed to affluence and increasing prosperity are gaining political strength.

Proper management of the economy is, therefore, all the more important and must be given top priority. This requires good planning and good discipline.

We have a long experience of economic planning, but we have always underestimated the growth potential of Japan.

Nonetheless, such planning has, I think, been useful in many ways and the Government has now under study an ambitious plan for economic and social development to carry us through 1975. This plan will be published some time in the next few months.

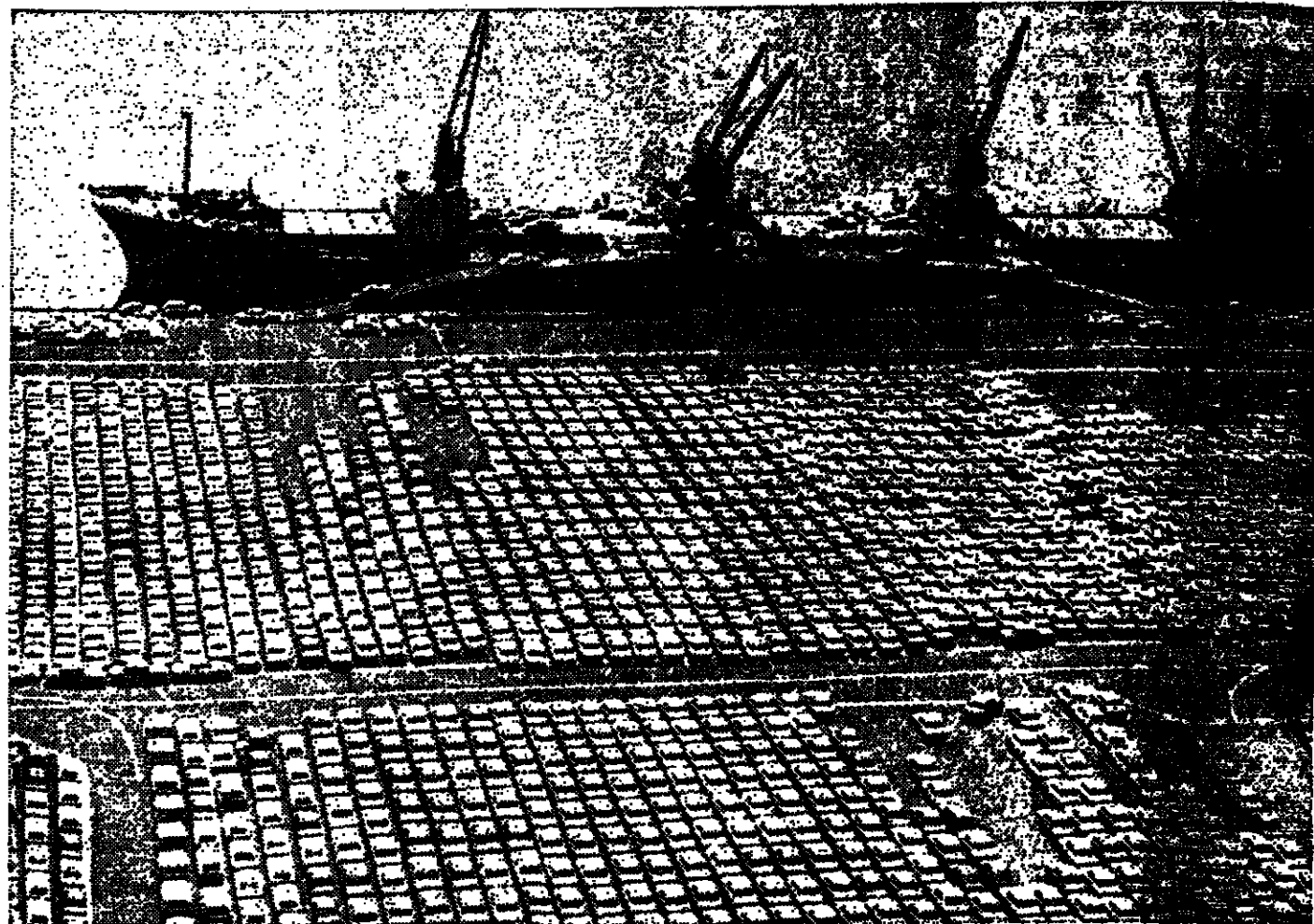
Management Is Key

Good management of the economy is, I think, the real key to our achievements in the past but the problems awaiting us in future, as I mentioned earlier, are most challenging. The proper allocation of resources must be wisely effected

to maintain a good balance between growth, stability and the other needs I have mentioned.

We must see to it that demand management will insure steady growth and maintain relative stability internally as well as externally. This is a particular responsibility for the Ministry of Finance as the key agency within the Government. I sincerely hope that we will have the wisdom and the courage to take proper steps for steady progress toward our ultimate goal.

Mr. Kashiwagi is Japan's Vice-Minister of Finance.



Doing Business With the Communist Neighbors

TOKYO—Much is written and much is said about Japan's prospects for trade with two large neighbors, Communist China and the Soviet Union.

But Japan's actual commerce with the two Communist countries doesn't amount to much in terms of its overall trade.

In fact, in January-September, 1969, Japan exported more goods to another neighbor, South Korea, than it did to all Communist countries.

Japan's exports to South Korea in January-September totaled \$601 million, compared with exports of \$325 million to all Communist countries during the first nine months of 1969.

Japan's exports to Communist China alone totaled \$255 million in January-September or 2.3 percent of Japan's total January-September exports of \$11,478 million. During the same period, the United States took 39.5 percent of Japan's total exports.

The Soviet Union accounted for only 1.7 percent of Japan's January-September exports, im-

porting Japanese goods worth \$198 million during the nine-month period.

To some individual industries, however, particularly Japan's steel and fertilizer industries, the Communist countries are important markets.

Communist China is the largest

single foreign buyer of Japanese fertilizers and the second largest foreign buyer of Japanese steel, although in steel it is a distant second after the United States.

By early December, the Japanese steel industry had received orders from mainland China

for 1.4 million metric tons of steel. In 1968, Japan shipped 1,005,000 metric tons of steel to Communist China, compared with 691,000 metric tons to the United States. In 1969, 610 metric tons of Japanese steel were exported to Communist China.

Getting Fresh Water From the Sea

TOKYO—Japan plans to build by 1975 a pilot desalination plant capable of producing 100,000 metric tons of fresh water daily from sea water.

The project has taken on an urgent note because the government expects an acute water shortage by 1975 in Tokyo and other heavily-populated areas.

Supporting the project are the government's Chemical Industrial Research Institute and major steel and machinery companies.

The plant, expected to cost 5,000 million yen (\$13,890,000), will use a multi-stage flash evaporation process.

Researchers hope to develop techniques for large-scale production of fresh water from sea water at a cost of about 30 yen (8.3 cents) a ton. The average cost of water in Japan, supplied by conventional methods, is currently 33 yen (8.9 cents) a ton.

The research will try to develop materials capable of resisting sea water corrosion and find ways to minimize the amount of heat required for the process.

If the project is successful, government officials said, Japan will build a 500,000-ton-a-day plant powered by an atomic generator.

Housing Solution 15 Years Off

TOKYO—Japan will require almost 30 million new housing units, including 13 million replacements, in the next 30 years the government estimates.

Since the mid-1950s, construction of housing units has been increasing at an annual rate of more than 10 percent. Last year 1,400,000 units were built.

Construction, however, has fallen far short of demand. About half of Japan's households are dissatisfied with their accommodation according to a government survey.

Only by 1985 does the government expect to be able to meet its goal of providing one room for each household member. Much of the problem stems from urban land prices, which the government says rose 25 times from 1960 to 1968.

Income for Workers' Retirement

TOKYO—Japanese white-collar workers receive lump-sum retirement payments from their companies averaging 44 times their monthly salaries at the usual retirement age of 60, a recent survey disclosed.

The survey covered 34 Japanese firms, capitalized at 10 million yen (\$1,386,000) or more and employing more than 100 workers.

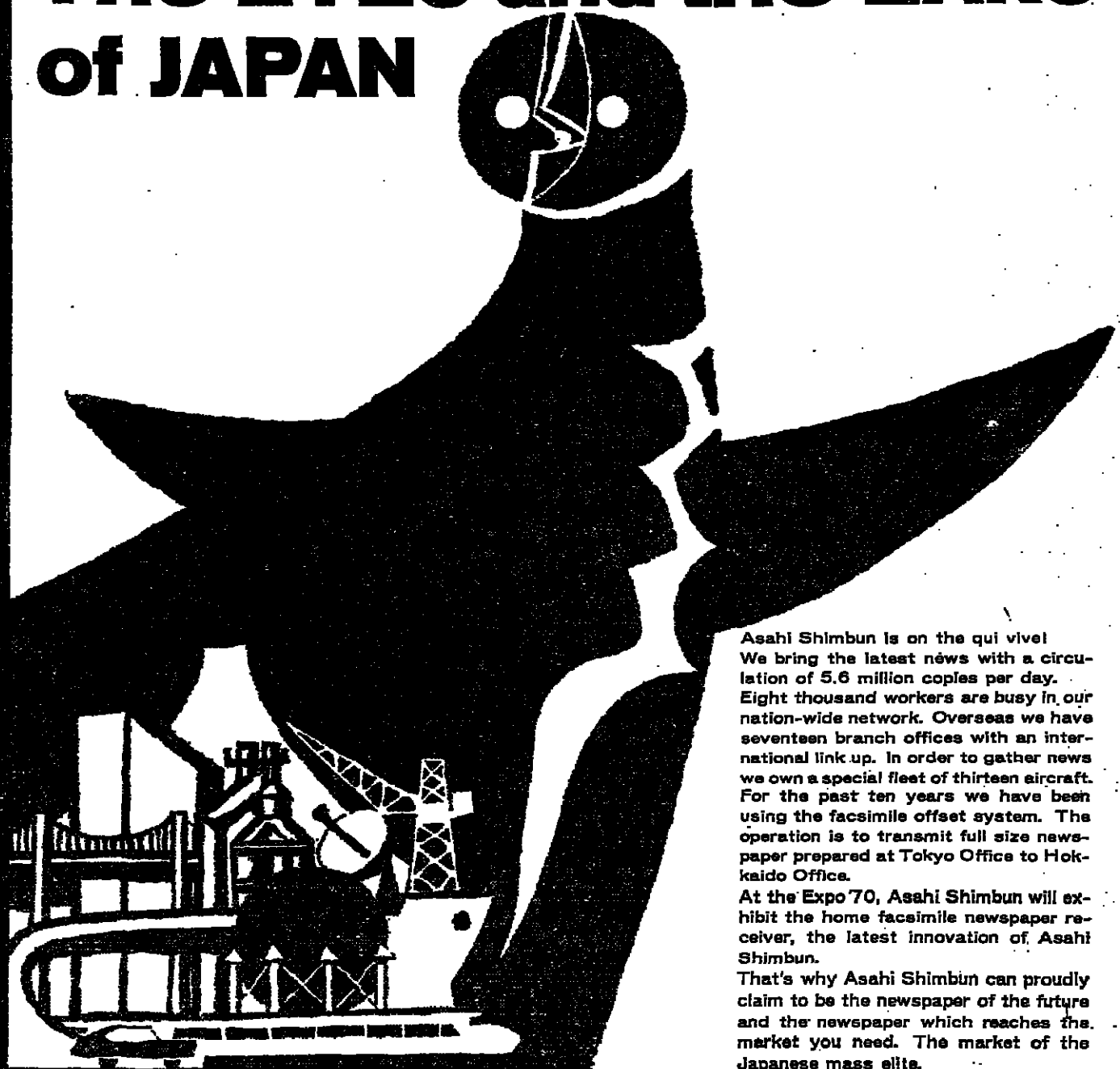
The average retirement allowance of college graduates in industries was 6,790,000 yen (\$18,694), the survey found.

By industry, the highest average retirement payment was 7,870,000 yen (\$21,881) paid by newspaper and broadcasting companies. The lowest average payment was 3,070,000 yen (\$8,528) paid by textile firms.

In addition to the lump-sum payments, about 60 percent of the companies surveyed said they also were contributing toward pension programs for their white-collar workers.

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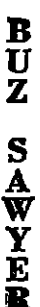
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CROSSWORD

By Will Ford

A 15x15 crossword puzzle grid. The grid is partially filled with black squares, indicating non-letter positions. The numbers 1 through 74 are placed in the starting squares of the words.

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